

Stony Brook Medicine Accountable Care Organization LLC

Conflict of Interest Policy

Effective Date: 01/01/2020

Reviewed: 12/20/2021, 12/12/2022, 12/8/2023

RESPONSIBLE PERSON:

Stony Brook Accountable Care Organization, LLC Compliance Officer

PURPOSE:

The Board of Directors (“the Board”) is committed to meeting its fiduciary responsibilities and maintaining its duty of loyalty to Stony Brook Accountable Care Organization, LLC (SB-ACO). To this end, the Board will exercise vigilance in identifying any conflicts of interest. The Board will also maintain transparency and objectivity in making decisions about conflicts of interest.

POLICY:

The purpose of this policy is to ensure the integrity of the business practices of SB-ACO and its, Board, officer and key employees to disclose any conflict of interest, actual or potential, in the manner described in this policy. It is designed to help all parties to identify situations that present potential or actual conflicts of interest and to provide procedures for making appropriate disclosure of a conflict of interest.

PROCEDURE:

1. Duty to Disclose: All directors, officers, member of committees with board delegated powers, and key employees (as determined by the ACO Board) who have a direct or indirect financial interest in a transaction with SB-ACO (each, an “interested person”) must annually complete a Disclosure Statement which lists all financial and potential conflicting interests and any material facts relating to those interests. Completed disclosure statements will be submitted to, and maintained by, the SB-ACO Compliance Department.

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family (a) an ownership or investment interest in any entity with which SB-ACO has a transaction or arrangement; (b) a compensation arrangement with SB-ACO or with any entity or individual with which SB-ACO has a transaction or arrangement; or (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which SB-ACO is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest, as a person who has a financial interest may have a conflict of interest only if the SB-ACO Board or the SB-ACO Compliance Department decides that a conflict of interest exists.

Annual disclosures will be reviewed with the Chair of the SB-ACO Board (or his/her designee) and any potential conflicts provided to the Board for review.

2. Procedure for Reviewing Potential Conflicts and Reviewing/Approving Transactions with Interested Persons: In connection with any proposed transaction or arrangement involving an interested person (as defined above), the transaction or arrangement shall be placed on the agenda for review and possible approval by the SB-ACO Board. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall then recuse themselves and leave the board meeting while the determination of a conflict of interest is discussed and voted upon. The board members (including remaining board members if the interested person is a director) shall decide if a conflict of interest in fact exists.

Procedures for Addressing the Conflict of Interest:

- a) An interested person may make a presentation at the board meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement.
- b) The chairperson of the Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c) After exercising due diligence, the Board shall determine whether the ACO can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not rise to a conflict of interest.
- d) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the committee and board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the SB-ACO's best interest and for its own benefit and whether the transaction is fair and reasonable to the SB-ACO arrangement in conformity with such determination.

3. Violations of Policy: If the Board has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

4. Records of Proceedings: The minutes of the Board shall contain:

- a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.
- b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

5. Annual Statements: In addition to the annual disclosure statement, each interested person shall annually sign a statement which affirms that such person:

- a) Has received a copy of the conflict of interest and disclosure of certain interest policy,
- b) Has read and understands the policy, and
- c) Has agreed to comply with the policy.

6. Ongoing Duty to Disclose: Because circumstance may arise throughout the year that could create a conflict, it is the duty of all directors, officers, member of committees with board delegated powers, and key employees (as determined by the SB-ACO Board) to identify and disclose potential or actual Conflicts of Interest on an ongoing basis. The potential conflict of interest should be immediately disclosed as soon as the interest occurs to the supervisor, compliance officer, Board chair or executive director of the ACO, as the case may be.

Relevant Standards/Codes/Rules/Regulations/Statutes:

- Public Officer's Law, Section 73 and 74
- 19 NYCRR Part 930, 933, 934 • Public Health Law, Section 238-a

These cross-references supersede this policy in the event of a conflict between them. References and

Resources: New York State Ethics Commission Advisory Opinion No. 94-16

RELATED DOCUMENTS: Stony Brook Accountable Care Organization Board and Committee Potential Conflict of Interest Disclosure Form (attached to this policy)

Stony Brook Medicine Accountable Care Organization LLC

Stony Brook Accountable Care Organization Board and Committee Potential Conflict of Interest Disclosure Form

Printed Provider Name: _____

Per the US Department of HHS Office of Inspector General, all Staff (employees, administration, Board, Medical Staff) of not-for-profit hospitals & health systems must disclose potential conflicts of interest. Specifically, a potential conflict of interest exists when a person with “a material financial interest” is in a position to influence the business decisions of the hospital or health system.

It is inevitable that potential conflicts of interest may exist in an organization that delivers patient care, participates in medical research and the development of new technology. Stony Brook Accountable Care Organization, LLC (SB-ACO) recognizes that it is appropriate for Board and Committee members to be reasonably compensated for legitimate activities in connection with network clinical integration development. To ensure that the best interests of patients, the organization and the network are properly considered, SB-ACO requires Board and Committee members to disclose actual and potential conflicts of interest and to work cooperatively with SB-ACO to manage those conflicts of interest.

Some examples:

- Influencing SB-ACO to do business with a company in which the physician or his/her immediate family has an interest, either a direct investor/owner interest, or a consultant/speaker arrangement, or other indirect compensation (travel expenses, recruitment assistance, etc.).
- Disclosure of patient information or SB-ACO data for financial gain or business reasons.

A “material financial interest” is defined as any financial arrangement with a company, an ownership interest of more than 5%, contributing more than 5% of annual income, or occupying a position of trustee, executive or partner in a company. This does NOT include ownership of publically traded stock in a company. “Immediate family” refers to: spouse, domestic partner, parent, child or stepchild.

If you have any questions about these definitions or this form, please contact Laura McNamara (SB-ACO Compliance Officer) at laura.mcnamara@stonybrookmedicine.edu or 631-444-8026.

Do you, or a member of your immediate family, have a material financial interest in either (i) another hospital or health care facility (excluding your individual or group practice) or (ii) any entity that could provide products or services to Stony Brook Accountable Care Organization, LLC?

No _____ Yes _____

If yes, please specify: _____

Are you involved in any other healthcare-related business or activity that might potentially raise a conflict of interest (excluding your individual or group practice)?

No _____ Yes _____

If yes, please specify: _____

_____ I agree to inform my SB-ACO patients of any financial relationship that I have with any company which could give the appearance of influencing my recommendation of products or services at SB-ACO to my patients.

_____ I agree to immediately notify the SB-ACO Compliance Officer should any responses to the above questions change prior to my next reappointment cycle.

Signature: _____

Review: _____ Date: _____