

## **Conflict of Interest Policy**

### **Purpose**

As the leading physician organization in North Carolina, the North Carolina Medical Society (Society) holds a unique position as the representative of patients and physicians on issues that affect the health of all North Carolina citizens. In formulating its policies, the Society seeks the involvement of trusted, knowledgeable individuals, and encourages the expression of diverse views on important health issues facing North Carolina now and in the future.

Officers, directors, committee members and senior staff of the Society bring to the Society expertise drawn from their diverse knowledge and backgrounds. The Society recognizes that, at times, the diverse background and activities of its officers, directors, committee members and senior staff may conflict with the interests and activities of the Society. These individuals hold a special position of responsibility to the Society, and are obliged to act in the best interest of the Society and to place the achievement of the Society's goals and mission above their other interests.

Although not elected, committee members and members of senior staff are also obliged to serve the best interests of the Society. It is important for the Board of Directors to be aware of any affiliations or activities which may raise conflicts, as committee members and senior staff are responsible for advising the Board of Directors and making recommendations on Society policies and activities.

For purposes of this Policy, the term "Covered Individuals shall mean all NCMS officers, directors, members of certain committees, task forces or other decision-making groups. Senior Staff also shall abide by these guidelines to the extent they are applicable. "Senior staff" includes the Executive Vice President/CEO, Deputy Executive Vice President, all In-house Counsel, and Department Directors. Other individuals may be designated by the Board of Directors to be covered by this policy. The term "North Carolina Medical Society" or "Society" shall mean the North Carolina Medical Society and its subsidiaries and affiliates.

### **Material Financial Interests**

Covered individuals shall disclose his or her ownership of a material financial interest in any entity which furnishes goods or services, or is seeking to furnish goods or services, to the Society. The disclosure requirement of this section shall also apply to material financial interests owned by immediate family members of covered individuals.

The Society recognizes that individuals have investments, through stock ownership, mutual funds, and similar vehicles, in companies that provide goods and services to businesses. Only those investments that constitute a significant financial investment raise a concern about a possible conflict of interest. The Society also recognizes that covered individuals may be employed by, or have a consulting arrangement with, an organization that does business with the Society. A conflict of interest may arise if the covered individual holds a key position in such company and is responsible for approving the provision of good or services to the Society. Accordingly, "ownership of a material financial interest" shall mean holding a financial ownership of 5% or more, or holding a position as proprietor, director, managing partner or key employee.

Covered individuals shall excuse themselves from discussion and vote on any issues relating to the provision of the goods and services by any company in which a covered individual or any immediate family member owns a material financial interest.

## **Participation in Other Organizations**

Participation by covered individuals in the activities of other organizations is beneficial to the Society, as these individuals gain important expertise and establish business relationships. To avoid conflicts of interest, covered individuals shall disclose their participation in other organizations where a potential for conflicts exists. If the overall goals and objectives of the Society and the other organization do not conflict, participation is permitted. If a conflict exists, covered individuals shall choose between the conflicting organizations, and shall resign from one of the positions.

## **Other Relationships**

Situations may arise, from time to time, where covered individuals are unable to separate their interest in another relationship from their obligation to objectively serve the interests of the Society. To insure that the covered individuals' obligations to the Society are met, disclosure of any interests arising from another relationship that may conflict or appear to conflict with the interests of the Society is required. However, it is important to keep in mind that covered individuals will sometimes have a personal interest in and opinion on the issues that come before the Board of Directors due to the broad range and nature of the Society's mission and activities.

In most instances, personal interests will not prevent covered individuals from rendering objective opinions. In order to fulfill the responsibilities of the Society and to make appropriate and informed decisions, representation of different viewpoints is required, and an environment of full and open discussion must be maintained. It is necessary to insure that the broadest range of views and expertise is available to the Society in its decision-making process. At times, the contributions of an individual with a personal interest are valuable precisely because of the knowledge or expertise obtained through the personal interest.

A requirement that covered individuals be excused from discussions on any issue in which they have personal interests would diminish the benefits the Society receives from full, informed debate. Accordingly, full participation by covered individuals should be encouraged, and limitations shall be placed on their activities only in those cases where they cannot separate the outside interest from the interest of the Society and render a fair and independent decision. In those cases, the covered individuals should excuse themselves from discussion and vote on the issue. If the covered individual does not appropriately excuse himself or herself, but the majority of the remaining directors believe that he or she should be excused from discussion and vote, the Chair shall require that person to excuse himself or herself from discussion and vote.

## **Gifts**

To avoid any inference that a decision was unduly influenced, covered individuals, as well as members of their immediate family, may not offer, solicit or accept any gift, money, benefit, loan, or other payment of any kind from any entity with whom the Society does business, with whom the Society is seeking to do business, or from any entity seeking to do business with the Society. The term "entity" includes, but is not limited to, financial institutions, business and professional firms, and individuals providing goods or services.

This provision is not intended to prohibit the following gifts or benefits:

- Acceptance or offering of nominal gifts, or social amenities and entertainment which are given in normal business practice and which would not raise an inference of undue influence.
- Acceptance or offering of gifts for a non-business reason, and which are motivated by a family relationship or personal friendship.
- Benefits or discounts offered under any Society sponsored program.
- Benefits or discounts which are offered as a professional courtesy to members of the medical profession, or to members of their immediate family, provided such benefits or discounts are not intended to influence a Society decision.
- Books, journals, audio or videotapes, computer software or other informational material provided to assist the officers, directors and senior staff in performing their duties for the Society.

## **Honoraria**

Any honoraria received by a covered individual for Society related engagements shall be given to the Society.

## **Illegal Payments**

Covered individuals shall not give any bribe, kickback, or any other illegal or improper payment of any kind to any person with whom the covered individual comes in contact in the course of carrying out his or her responsibilities for the Society.

## **Disclosure of Confidential or Proprietary Information**

In the course of performing services to the Society, the covered individual will have access to information that is confidential or proprietary to the Society. This information includes, but is not limited to, financial information, business plans, policy proposals and recommendations, policy development plans, confidential membership plans, and other information which would impede implementation of Society activities if it were disclosed. Covered individuals shall maintain the confidentiality of such information and shall not disclose confidential or proprietary information. Covered individuals shall use their best efforts to prevent unauthorized disclosure of confidential or proprietary information.

## **Use of Position or Society's Name**

Covered individuals shall not use the Society's name, or their affiliation with the Society in a manner that would incorrectly imply a Society endorsement of a non-Society product or service, or that would imply Society support of a personal opinion or activity.

## **Activities Following Term**

Former covered individuals shall not use the Society name or their affiliation with the Society in any manner which would imply Society support or endorsement of policies or activities of another organization. Former covered individuals shall not use the Society name or their affiliation with the Society for commercial gain. Former covered individuals shall not disclose confidential or proprietary information. Former covered individuals shall refrain from all conduct, verbal or otherwise, which publicly disparages or damages the reputation, goodwill, or standing in the community of the Society or other covered individuals.

## **Interpretation**

The Conflict of Interest Policy is intended to be an evolving policy, and questions of interpretation and application can be expected to arise. Conflict of Interest Principles have been developed to provide guidance in resolving conflicts.