



Compliance Policy  
504

|                                |  |
|--------------------------------|--|
| Subject:                       | Conflicts of Interest and Recusal  |
| Endorsed By:                   | Compliance Committee   |
| Approved by:                   | Compliance Committee, Board of Managers  |
| DSRIP Implementation Deadline: | April 2015   |
| Effective Date:                | June 2017  |
| Supersedes:                    | April 2015<br>October 2015   |
| Purpose:                       | <p>It is the policy of SI-PPS to conduct business free from the influence of Conflicts of Interest, which is critical to SI-PPS' <b>commitment to ethical business dealings</b>. This policy sets forth the process for avoiding potential Conflicts of Interest by ensuring that any individual with a possible Conflict of Interest recuse him/herself from participation in any actions related to a transaction or matter where a conflict may exist and defines the processes for managing Related Party transactions.</p> <p>All questions as to whether a possible Conflict of Interest may exist shall be addressed to the SI- PPS Board of Managers or subcommittee of the Board of Managers.</p> |
| Policy:                        | <p>Consistent with SI-PPS' <b>Code of Conduct</b>, <b>employees or other</b> persons associated with SI-PPS are expected to perform their duties and responsibilities free from the influence of Conflicts of Interest and devote their professional loyalty, time and energy to applicable patient care and service on behalf of SI-PPS.</p>  |

|                    |   |
|--------------------|---|
|                    | <p>Where appropriate, the SI-PPS Compliance Officer will seek the input of SI-PPS' Chief Executive Officer, Medical Leadership or the Board of Managers or designated Board Committee on the matter.</p> <p>PPS Associates shall not be involved with the selection of any vendor or contractor which is a Related Business Interest nor be involved in SI-PPS decisions which might benefit the PPS Associates, his/her Family members or a Related Business Interest nor participate in Related Party Transactions, except as outlined below. If an individual has knowledge regarding a possible Conflict of Interest in connection with a proposed transaction or other matter being presented for consideration or approval by SI-PPS, such individual shall follow the process outlined below.</p>  |
| <p>DEFINITIONS</p> | <p><u>Independent Trustee</u>: a trustee who</p> <ol style="list-style-type: none"> <li>(1) Is not, and has not been within the last three years an employee or Key Person of SI PPS and does not have a Relative who is, or has been within the last three years, a Key person of SI PPS ; or</li> <li>(2) Has not received and does not have a Relative who has received, in any of the last three fiscal years, more than \$10,000 in direct compensation from SI PPS; or</li> <li>(3) Is not a current employee or does not have a substantial financial interest in, does not have a Relative who is a current officer of or has a substantial financial interest in, any entity that has provided payments, property or services to, or received payments, property or services from SI PPS if the amount paid by SI PPS to the entity or received by SI PPS from the entity for such property or services in any of the last three fiscal years, exceeded the lesser of:             <ol style="list-style-type: none"> <li>(a) <b>\$10,000 or two percent of such entity's consolidated gross</b> revenues are less than \$500,000;</li> <li>(b) <b>\$25,000 if the entity's cons are \$500,000 to \$ 10 million;</b> or</li> <li>(c) <b>\$100,000 if the entity's consolidated gross revenues are \$10 million</b> or more; or</li> </ol> </li> <li>(4) Is not and does not have a relative who is a current owner, whether <b>wholly or partially, director, officer or employee of SI PPS's outside</b> auditor or who has worked on a SI PPS audit at any time during the past three years. For purposes of this paragraph the terms <b>"compensation" does not include reimbursement for expenses</b></li> </ol> |

reasonably incurred as a director or reasonable compensation for services as a director as permitted by New York Non-Profit **Revitalization Act and the term “payment” does not include charitable** contributions, dues or fees paid to SI PPS for services which SI PPS performs as part of its nonprofit purposes, or payments made by SI PPS at fixed or non-negotiable rates or amounts for services provided that such services by and to SI PPS are available to individual members of the public on the same terms, and such services received by SI PPS are not available from another source.

Key Person:

Any person, other than a trustee or officer, whether or not an employee of SI PPS who (i) has responsibilities or exercises powers or influence over SI PPS as a whole similar to the responsibilities, powers, or influence of trustees and officers; (ii) manages SI PPS, or a segment of SI PPS that represents a substantial portion of the activities, assets, income or expenses of SI PPS; or **(iii) alone or with others controls or determines a substantial portion of SI PPS’s** capital expenditures or operating budget.

Ordinary Course of Business Transaction:

A transaction or activity is in the ordinary course of business if it is consistent **with SI PPS’s consistently applied past practices in similar transactions or with** common practices in the sector in which SI PPS operates.

Related Business Interest:

Any person, organization or business entity may be considered as a Related Business Interest to an Associated Individual if such Individual or any member of his/her Family: (1) is a director, officer, employee, member, partner or trustee of such Related Business Interest; or (2) has a financial interest in such Related Business Interest, which includes any ownership, investment income or similar right or interest which could benefit the Associated Individual or a Family member.

Related Party:

**Any trustee, officer of Key Person of SI PPS or an Affiliate; (2) any Relative of any such individual or (3) any entity in which any such individual described in**

clauses (1) and (2) has a 35% or greater ownership or beneficial interest or, (3) in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.

Related Party Transaction:

Any transaction, agreement, or other arrangement in which a Related Party has a direct or indirect financial interest and in which SI PPS or any Affiliate of SI PPS is a participant except that a transaction shall not be a Related Party Transaction if: (i) the transaction or the Related Party's financial interest in the transaction is *de minimus*, (ii) the transaction would not customarily be reviewed by SI PPS Board of Managers or boards of similar organizations in the ordinary course of business and is available to others on the same or similar terms, or (iii) the transaction constitutes a benefit provided to a Related Party solely as a member of a class of the beneficiaries that SI PPS intends to benefit as part of the accomplishment of its mission which benefit is available to all similarly situated members of the same class on the same terms.

A. CONFLICT OF INTEREST DISCLOSURE AND REVIEW PROCESS

Disclosure of Conflict of Interest.

Any PPS Associates who becomes aware that he/she has an actual or potential Conflict of Interest must promptly disclose this to the SI-PPS Compliance Officer, or his/her designee, who will review the disclosed Conflict of Interest and take any action(s) deemed required or appropriate to manage or resolve the matter, including by referring the matter to the SI PPS Board of Managers or designated Board Committee, as appropriate.

Disclosure Report and Review of Disclosures.

Any employee or other person associated with SI-PPS who is in a position to influence the business or other decisions of SI-PPS are required to complete a Conflicts of Interest Disclosure Report upon beginning their employment or other SI-PPS affiliation and on an annual basis thereafter. Conflict of Interest **Disclosure Reports submitted by members of the Board of Managers ("Board**

Procedure:

**Members”) and Key Persons must include a signed written or electronic statement identifying, to the best of his or her knowledge, (1) any entity of which the individual is an officer, director, Board Member, member, owner or employee, with which SI-PPS has a relationship and (2) any transaction in which SI-PPS is a participant and in which the Board Member or Key Person **might have a conflicting interest. Board of Managers’ and Key Persons’ Conflict of Interest Disclosure Reports** will be submitted to the Secretary to the Board of Managers and to the **SI-PPS’ Compliance Officer**. The Secretary must provide copies of all such statements to the Chair of the Board of Managers. Board members and certain PPS Associates also are required to complete any additional disclosure forms related to the Internal Revenue Service Form 990, **Centers for Medicare and Medicaid Services (“CMS”) enrollment requirements**, and research regulations.**

Between filings of any Conflicts of Interest Disclosure Report, these individuals must immediately report to the SI-PPS Compliance Officer, or his/her designee, or, when involving a director, officer or Key Person, to the Board of Managers or designated Board Committee, any changes in the information provided in his/her last completed Conflicts of Interest Disclosure Report. The SI-PPS Compliance Officer, or his/her designee, or, when involving a Board Member, officer or Key Employee, the Board of Managers or designated Board Committee will oversee the review of disclosures of possible conflicts, including matters disclosed in the Conflicts of Interest Disclosure Reports and any reported changes to those Reports. The SI-PPS Compliance Officer, or his/her designee, or the Board of Managers, when involving a Board Member, officer or Key Employee, will take all actions deemed required or appropriate to manage or resolve any actual or potential Conflicts of Interest. Any determination regarding conflicts of interest shall be documented in the respective minutes of the Board of Managers, or designated Board Committee, where discussed, and/or noted in the **individual’s file and/or documented by the SI-PPS’ Compliance Officer**.

If a PPS Associate is aware of any Conflict of Interest that has not been reported that impacts SI-PPS, the individual shall report it to his/her supervisor, the SI-PPS Compliance Officer, or call the confidential Compliance Help Line at 855-233-3138 which is available 24 hours a day, 7 days a week or go online to [statenilandperfromingprovidersystem.ethicspoint.com](http://statenilandperfromingprovidersystem.ethicspoint.com) .

3. Recusal: After disclosing a possible Conflict of Interest and unless otherwise expressly approved by the SI-PPS Compliance Officer, his/her designee, or by the Board of Managers, a PPS Associate shall immediately recuse him/herself from participating in the transaction or matter, including by refraining from attempting to influence deliberations or voting on the transaction or matter, and not being privy to any non-public information relating to the transaction.

The recusal of any PPS Associate shall be documented in the respective minutes of the Board of Managers, or designated Board Committee, where discussed, and/or noted in the individual's **file and/or documented by the SI-PPS' Compliance Officer.**

Any questions about this Policy or the completion of the Disclosure Reports may be directed to the **SI-PPS' Compliance Officer at 917-830-1161.**

4. Referral-related Activities. Any PPS Associate who intends to enter into any arrangement that could potentially generate referrals to SI-PPS must have the arrangement approved by the SI-PPS Compliance Officer, or by the Board of Managers, or designated Board Committee, as appropriate, prior to entering into it.

5. Related Issues. PPS Associates shall neither use nor disclose SI-PPS assets or confidential information for non-SI-PPS purposes unless they do so in conformance with **SI-PPS' HIPAA and Security Policies and Procedures (e-mail, computers, Internet, etc.).**

In addition, any PPS Associate must comply with any applicable governmental agency requirements and regulations to avoid a Conflict of Interest.

#### B. RELATED PARTY TRANSACTION DISCLOSURE AND REVIEW PROCESS

1. Disclosure of a Related Party Transaction. Any Board Member, officer, or Key Person with an interest in a Related Party Transaction must disclose in good faith the material facts of the interest to the Board of Managers or designated Board Committee.

|                       |  |
|-----------------------|--|
|                       | <p>2. Addressing a Related Party Transaction. If a Related Party of SI-PPS has a substantial financial interest in a Related Party Transaction, the SI PPS Board of Managers must: (a) prior to entering into the transaction, consider alternative transactions to the extent available; (b) approve the transaction in accordance with SI-PPS’ <b>bylaws or applicable law</b>; and (c) <b>contemporaneously document in writing</b> the basis for its approval of the transaction, including consideration of any alternative transactions. Related Party Transactions must not only be disclosed but approved by the Board of Managers as fair, reasonable and in the SI-PPS’ <b>best interest</b>.</p> <p>No person with an interest in a Related Party Transaction (including compensation) may be present at or participate in deliberation or voting on it. The SI PPS Board of Managers, however, may request that the person provide information or answer questions prior to the deliberations or voting.</p> <p>3. Documenting a Related Party Transaction. Discussions and determinations regarding Related Party Transactions, to include the recusal of a director, officer or Key Person, shall be documented in the respective minutes of the Board of Managers, where discussed.</p> <p>If a Related Party Transaction is not timely reviewed by the SI PPS Board of Managers and the Compliance Committee, the SI PPS Board of Managers will follow the procedures set forth to approve the transaction, document in writing the nature of the violation and the basis for approval of the transaction and put into place procedures to mitigate against such violations in the future.</p> |
| Scope:                | SI-PPS, SI-PPS Associates ( <b>PPS Associates shall mean all individuals and entities that participate in or do business with SI PPS, including but not limited to its employees, independent contractors, vendors, agents, suppliers, executives and governing body members</b> ).  |
| Project(s):           |  |
| Regulatory Alignment: | <b>New York Social Services Law §363-d subd. 2 and 18 NYCRR §521.3(c), Non-profit Revitalization Act of 2013 (S5845/A8072/10365B, IRS Form 990 and Accompanying Regulations</b>  |
| Reference(s):         |  |
| Attachment(s):        | none   |

FINAL

Reviewed/Revised by: Regina Bergren April 2017

Approved by Compliance Committee – August 2016, May 31, 2017

| Partner Organization | Responsible Staff Name & Title | Date Reviewed | Signature |
|----------------------|--------------------------------|---------------|-----------|
|                      |                                |               |           |
|                      |                                |               |           |
|                      |                                |               |           |
|                      |                                |               |           |
|                      |                                |               |           |
|                      |                                |               |           |
|                      |                                |               |           |
|                      |                                |               |           |
|                      |                                |               |           |
|                      |                                |               |           |