



HURON BEHAVIORAL HEALTH
OPERATIONAL POLICY

Policy #: **ORI.1.24**
Issue Date: **03/03/05**
Rev. Date: **05/28/19**
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Title: Conflict of Interest Policy

Prepared By: **Executive Director**

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Purpose:

The purpose of this policy is to provide an effective oversight process to protect the interests of Huron Behavioral Health (HBH) and the interests of consumers receiving services from HBH when a matter, transaction, or issue may benefit the private interest of an individual or another entity. This policy is intended to supplement, but not replace, any applicable state or federal laws governing conflicts of interest in governmental entities or charities, tax-exempt, or non-profit organizations.

Scope:

This policy applies to all contract providers, board members, advisory board and advisory council members, consultants, and all employees (including full-time employees, part-time employees, volunteers, students or interns), and Board members of Huron Behavioral Health (HBH). These individuals are collectively referred to in this policy as "covered persons".

Information:

- All HBH employees shall consistently function with integrity, in compliance with requirements of all applicable laws, utilizing sound business practices, and with the highest standards of excellence.
- It is the policy of Huron Behavioral Health that all covered persons (as defined in "Scope" section above) shall avoid any actual or perceived conflict of interest. Covered persons under this policy are required to disclose any actual or perceived conflict of interest. Should an unavoidable conflict of interest exist, the covered person(s) will not participate in any discussion, decision-making, or vote with respect to the interest in question.
- It is also the policy of HBH to provide a means for any covered person to identify and report to the HBH's Board any direct or indirect financial interest and any actual or potential conflict of interest and, based on that information, permit the Board to review such financial interests and conflicts of interest and provide a process for the Board to follow in accordance with applicable law (see also [BD.1.12 "Governance Process - Conflict of Interest Policy"](#)).

Policy:

1. Every effort will be made to have covered persons perform their official duties in a manner free from any possible criticism, prejudice, or self-interest.
2. Every effort will be made to avoid the possibility of a claim being made that an individual who is a covered person participated in reaching a decision on a matter which he/she had either a direct or indirect benefit from or interest in a substantial personal or financial nature.
3. Covered persons shall resist every temptation and outside pressure to use his/her position for personal benefit to himself/herself or another individual or agency.
4. When a board member determines that the possibility of a personal conflict exists, he/she should, prior to the matter being considered, disclose his/her interest (such disclosures become a matter of record in board meeting minutes), and thereafter shall abstain from participation in both the discussion of the matter and any vote thereon.
5. When a staff member, volunteer, student, or intern believes a conflict of interest may exist, they should, prior to becoming involved in the situation, disclose his/her interest to their immediate supervisor, and thereafter shall abstain from participation in discussion on the matter and any related decision making.

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6. Examples of possible conflicts of interest, may include but are not limited to situations listed below:
 - a. a relative or personal friend requesting or receiving services from a program or department of the agency where the staff member, volunteer, student, or intern is assigned/working;
 - b. the agency engaging in a business relationship with which the covered person has a financial interest (example, the staff member has a side business, or the staff's spouse operates a business and the agency engages that business for services
 - c. having a financial or other interest in the assets, leases, business transactions or professional services of the provider
 - d. Using donor information or relationships inappropriately or in ways that might damage donor confidentiality and/or relationships with the organization
 - e. A staff member of the agency engages a consumer's business to provide a personal service for them (for example – hiring a consumer to provide building/remodeling services at the staff member's residence).
 - f. Accepting favors, gifts, gratuities, or taking part in any activities or transactions that relate to, effect or influence decisions made for, regarding, or on behalf of the organization
 - g. Steering or accepting referrals of applicants or persons served to a private practice in which employees, consultants, or the immediate families of employees or consultants are employed
 - h. Preferential treatment of covered persons when applying for and receiving the agency's services
7. Relatives of a board member may be employed by the Board, provided that board member does not participate in any way in the discussion or vote on the employment or concerning grievances that may come before the Board.
8. Residential providers and their staff as well as members of the providers Board of Directors shall not engage in any activities which are incompatible or in conflict with the discharge of their duties and responsibilities under the contract.
9. Preferential treatment in applying for and receiving HBH services shall not be given to board members, advisory board members, employees (including full-time, part-time and contractual employees, volunteers, students and interns), contract providers and/or consultants of HBH.
10. Board members and advisory board members are prohibited from receiving honoraria from HBH except as where permitted by law or by HBH policies.
11. On an annual basis, providers and board members are required to complete a "[Disclosure of Ownership, Controlling Interest, and Criminal Convictions Statement \(90-602\)](#) to identify any conflict of interest (see also "[Disclosure of Ownership, Control, and Criminal Convictions Policy](#)" ORI.1.34). A "[Conflict of Interest Waiver Form](#)" (90-634) may also be utilized.
12. Should a covered person (as defined in the "Definitions" section below), become aware of or believes a possible conflict of interest could exist, they are to discuss the situation with their immediate supervisor before proceeding any further. The supervisor, with the assistance of administration will assist in determining the presence of a conflict of interest and will take immediate steps to remedy the situation to avoid or eliminate the conflict of interest. In the case of Board members or Advisory Council members, the possible conflict should be raised with the Chairperson of the Board of Directors or the chairperson of the Advisory Council.
13. The covered person shall absent themselves from discussion involving the situation leading to the conflict of interest concern. If the conflict arises from a consumer treatment situation, the covered person must not be present or participate during any case staffing or treatment discussions. If the conflict of interest arises from a business relationship, the covered person must not participate in discussions or decisions regarding the purchase of the services, the development or monitoring of any contractual relationships, etc.

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Definitions/Acronyms:**Acronyms:***HBH* – Huron Behavioral Health*MDHHS* - Michigan Department of health and Human Service*MSHN* - Mid-State Health Network**Definitions:**

Conflict of Interest: No Covered Person may engage in any transaction, arrangement, proceeding or other matter or undertake positions with other organizations that involve a Conflict of Interest, except in compliance with this policy. Covered Persons should avoid not only actual but also the appearance of any conflict of interest as well. Every Covered Person shall:

- a. Disclose all Financial Interests as defined in this policy;
- b. Unless a Conflict of Interest Waiver has been granted, recuse himself/herself from voting on any transaction, arrangement, proceeding, or other matter in which he/she has a Financial Interest, and not be present when any such vote is taken; and
- c. Comply with any restrictions or conditions stated in any Conflict of Interest Waiver granted for the Covered Person's activities.

Compensation – includes direct and indirect remuneration cash or in kind.

Covered Person - A person subject to the terms of this policy including Board members, Board Committee members, Officers, executives, and staff.

Duty of Care: Every covered person shall act in a reasonable and informed manner and perform his or her duties for Huron Behavioral Health in good faith and with the degree of care that an ordinarily prudent person would exercise under similar circumstances.

Duty of Loyalty: Every covered person owes a duty of loyalty to act at all times in the best interests of the consumers of Huron Behavioral Health and of Huron Behavioral Health itself; not in the interest of the covered person or any other entity or person. No covered person may personally take advantage of a business opportunity that is offered to Huron Behavioral Health unless the Board of Directors determines not to pursue that opportunity, after full disclosure and a disinterested and informed evaluation.

Duty to Disclose – Each covered person has a duty to disclose to the Board the existence of a financial interest and all related material facts. (See also board policy "Conflict of Interest" BD.1.12).

Family Member - means spouse, parent, children (natural or adopted), sibling (whole or half-blood), father-in-law, mother-in-law, grandchildren, great grandchildren and spouses of siblings, children, grandchildren, great grandchildren, and all step family members, and any person(s) sharing the same living quarters in an intimate, personal relationship that could affect decisions of the Covered Person in a manner that conflicts with this Policy.

Financial Interest: A Covered Person has a Financial Interest if he or she has, directly or indirectly, actually or potentially, through a business, investment or through a Family Member:

- (a) an actual or potential ownership, control or investment interest in, or serves in a governance or management capacity for, an entity with which the Entity has a transaction, arrangement, proceeding or other matter;
- (b) an actual or potential compensation arrangement with any entity or individual with which the Entity has a transaction, arrangement, proceeding or other matter; or
- (c) an actual or potential ownership or investment interest in, compensation arrangement with, or serves in a governance or management capacity for, any entity or individual with which the Entity is contemplating or negotiating a transaction, arrangement, proceeding or other matter.

Interested person: is a Covered Person who has a Financial Interest.

Forms:

[90-602](#) Disclosure of Ownership, Controlling Interest, and Criminal Convictions Statement

[90-634](#) Conflict of Interest Waiver Form

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Records:

Records of board minutes, grievances, contracts, bidding, disclosure of ownership, and other activities described herein are retained in accordance with the HBH record keeping policies:

- [QI.1.23 HBH Record Retention and Storage Policy](#)
- [FM.1.03 Fiscal Record Retention Policy](#)
- [RR.2.25 Recipient Rights Record Retention and Disposal Procedure](#)
- [HR.1.03 HBH Personnel Records Retention Policy](#)

Reference(s) and/or Legal Authority

- MDHHS and MSHN Contracts
- COA standards
- Mental Health Code, 1974 PA 258, MCL 300.1001 to 300.2106
- 1978 PA 566, MCL 15.181 to 15.185 (incompatible public offices)
- 1968 PA 317, MCL 15.321 to 15.330 (contracts of public servants with public entities)
- 45 CFR Part 74 (Federal Procurement Regulations)
- 45 CFR Part 92 (Federal Procurement Regulations)
- 42 USC 1396a (Federal Medicaid Statute)
- Michigan Medicaid State Plan
- 18 USC 208 (Federal Conflict of Interest Statute)
- IRS Conflict of Interest Guidelines, Policies and Pronouncements for Charitable Tax Exempt Nonprofit Entities
- Section 1902(a)(4)(C) and (D) of the Social Security Act: 41 U.S.C. Chapter 21 (formerly Section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. §423): 18 U.S.C. §207)): 18 U.S.C. §208: 42 CFR §438.58: 45 CFR Part 92: 45 CFR Part 74: 1978 PA 566: and MCL 330.1222.
- 42 CFR 455 Subpart B
- MSHN policy "General Management – Conflict of Interest Policy"
- [BD.1.12 Governance Process - Conflict of Interest Policy](#)
- [FM.1.03 Fiscal Record Retention Policy](#)
- [HR.1.03 HBH Personnel Records Retention Policy](#)
- [ORI.1.34 Disclosure of Ownership, Controlling Interest, and Criminal Convictions Policy](#)
- [QI.1.23 HBH Record Retention and Storage Policy](#)
- [RR.2.25 Recipient Rights Record Retention and Disposal Procedure](#)

Change History:

Change Letter	Date of Change(s)	Changes
None		Old documentation brought into new format and Controlled Documentation system with minimal content changes.
A	05/12/09	Reviewed and revised to comply with COA 8 th edition standards – removed COA chapter-specific reference (G.3), added reference to HR.1.03 (HBH Personnel Records Retention Policy) 2 places.
B	09/17/13	CEO reviewed and revised policy to further and more completely define Conflict of Interest and how situations are to be handled.
C	05/13/14	Added the first bullet in "Information" section to comply with MSHN policy entitled "Provider Network – Provider Network Policy" adopted 12/03/13, in #3 removed "apart from the total interest of Huron Behavioral Health", made numerous minor grammatical corrections without changing sentence content
D	08/23/16	Added 3 rd bullet in "Information" section, in "Policy" section changed "HBH employees, contract providers, and board members" to "covered persons" in #2 and #3, in "Acronym" section removed "MDCH" and added "MDHHS" & "MSHN", in "Definitions" section added "covered person", "family member", "financial interest" & "interested person", in "Reference" section added bullets #3 -14.
E	02/24/18	In "Scope" section added "Board members", in "Policy" section #10 changed "HBH's regulations" to "HBH's policies", in "Definitions" section changed "Conflict of Interest" definition to match MSHN policy and added "Duty to Disclose", made several minor wording/grammatical changes/corrections throughout document without changing sentence content.
F	05/28/19	In "Policy" section added #11, in "Definitions" section added "Compensation", in "Forms" section added 90-602 & 90-634, in "References" section added ORI.1.34, made several additional minor wording/grammatical changes/corrections throughout document without changing sentence content.