

CONFLICT OF INTEREST POLICY

For

VERMONT HEALTH CARE INNOVATION PROJECT (VHCIP) CORE TEAM, STEERING COMMITTEE AND WORK GROUPS

I. PURPOSE

The purpose of this Conflict of Interest Policy is to ensure the independence and impartiality of the VHCIP Governance Structure, including the Core Team, Steering Committee and Work Groups (“the Committee”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of any Core Team, Steering Committee or work group member. Nothing in this policy shall relieve any person from compliance with additional conflict of interest policies such as the Executive Code of Ethics, state personnel policies, and Agency of Administration bulletins, including but not limited to Bulletin 3.5, Contracting Procedures.

II. DEFINITIONS

1. Interested person: Any member or subcommittee member or other individual in a position to exercise influence over the affairs of the Committee who has a direct or indirect interest, as defined below, is an “interested person.”
2. Interest: A person has an “interest” if the person has, directly or indirectly, through business, investment, or family:
 - a. An ownership or investment interest in any entity with which the Committee has a transaction or arrangement or is negotiating a transaction or arrangement, or
 - b. A compensation or other pecuniary arrangement with the Committee or with any entity or individual with which the Committee has a transaction or arrangement or is negotiating a transaction or arrangement, or
 - c. A potential ownership or investment interest in, or compensation or pecuniary arrangement with any entity or individual with which the Committee is negotiating a transaction or arrangement, or
 - d. Any other relationship that the person determines may compromise his or her ability to render impartial service or advice to the Committee.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

An interest is not necessarily a conflict of interest and a conflict of interest does not arise where an individual’s interest is no greater than that of other persons generally affected by the outcome of the matter.

III. PROCEDURES

1. **Duty to Disclose:** Any interested person must disclose the existence of his or her interest to the Committee and shall be given the opportunity to disclose all material facts to the Committee.
2. **Duty to Voice Concerns:** In the event any member becomes concerned that an interested person has an undisclosed interest or is exerting inappropriate influence related to an interest, this concern shall be raised with the Chair of the Core Team and the VHCIP Project Director.
3. **Determining Whether a Conflict of Interest Exists:** After disclosure of the interest and all material facts, and after any necessary discussion with the interested person, the Core Team shall determine whether the person has a conflict of interest that requires the interested person to remove him or herself from the matter under consideration. In no event shall an interested person participate in the deliberation and/or determination of any matter in which he or she will receive any compensation from the Committee for employment, professional contract, or otherwise.
4. **Restriction on Participation:** It shall be the responsibility of the Project Director to instruct an interested person on any restriction on his or her participation in any consideration of the subject matter of the conflict of interest, and it shall be the responsibility of the Project Director and all non-interested members of the Committee to enforce such restrictions.
5. **Procedures for Addressing the Conflict of Interest:**
 - a. An interested person shall leave any Committee meeting during discussion of, and the vote on, any transaction or arrangement that involves a conflict of interest and shall otherwise not participate in the matter in any way.
 - b. If necessary, the Chair of the Core Team shall appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - c. After exercising due diligence, including consideration of independent comparability data, valuations, estimates, or appraisals, the Committee shall determine whether the Committee can obtain a more advantageous transaction or arrangement with reasonable effort from a person or entity that would not give 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 Core Team shall determine by majority vote (or quorum) of all of the disinterested members (regardless of the number present at the meeting): (1) whether the transaction or arrangement is in the public's best interest, (2) whether the transaction or arrangement is fair and reasonable to the Committee, and (3) whether to enter into the transaction or arrangement consistent with such determinations.

6. Records of Proceedings: The minutes of the Committee or affected sub-committee shall contain:
 - a. The names of the persons who disclosed or otherwise were found to have an interest in connection with an actual or possible conflict of interest.
 - b. The names of the persons who were present for the discussion and votes relating to the transaction or arrangement, the content of the discussion, including a summary of any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the discussion.
7. Violations of the Conflict of Interest Policy:
 - a. If the Committee has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, it, through the Co-Chairs, shall inform the Core Team and the Core Team shall afford him or her an opportunity to explain the alleged failure to disclose.
 - b. If, after hearing the response of the person and making such further investigation as may be warranted under the circumstances, the Core Team determines that he or she has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate action.

IV. ANNUAL STATEMENTS

- a. Each Committee member shall annually sign a statement which affirms that he or she has received a copy of this Conflict of Interest Policy, has read and understands the Policy, and has agreed to comply with the Policy (Attachment A).

V. COMPLIANCE AND PERIODIC REVIEWS:

The Core Team shall make periodic reviews of compliance with this policy.

Adopted by the VHCIP Core

Team Date: 12/9/2013



Attachment A:
CONFLICT OF INTEREST POLICY ACKNOWLEDGEMENT

I, _____, a participant in the Vermont Health Care Innovation Project (VHCIP) Grant governance process, acknowledge having received, read, and understood the VHCIP Grant Conflict of Interest Policy dated _____, and agree to adhere to it.

Date: _____ Signature: _____

Name: (print) _____