



MEDICAL SOCIETY OF DELAWARE, SUBSIDIARIES, AND FOUNDATIONS

CONFLICT OF INTEREST POLICY

2021

Purpose

The Medical Society of Delaware (the “Society”), its subsidiaries (MedNet and its Physician Organization Boards, MSDIS, and Health Hub), and foundations (Delaware Foundation for Medical Services and Delaware Medical Education Foundation), with the subsidiaries and foundations collectively known as “Affiliates,” are each important governing bodies that includes a diverse membership to represent the physicians and patients in Delaware on issues that affect the health of its citizens. The individuals who serve in decision-making positions within these organizations provide expertise from their respective knowledge, experience, and background, which at times may create a conflict of interest with the activities of the Society and/or Affiliates. Because these individuals are an integral part of the decision-making process for the Society and/or Affiliates, it is imperative to pro-actively identify any conflict of interest and ensure the integrity of the goals and mission of each of the Society and Affiliates and place these above any and all personal interests.

Please check each box corresponding to the Board, Committee, Foundation, and/or Subsidiary of which you are currently member:

- MSD Council Member
- MSD Executive Board Member
- MSD Holding Company Board of Directors Member
- MSD Budget and Finance Committee Member
- Delaware Foundation for Medical Services Board of Directors Member
- Delaware Medical Education Foundation Board of Directors Member
- Health Hub, LLC Board of Directors Member
- Medical Society of Delaware Insurance Services, Inc. (MSDIS) Board of Directors Member
- Medical Network Management Company, LLC (MedNet) Board of Directors Member (voting and non-voting)
- Medical Network Management Company, LLC (MedNet) Physician Organization Board Member

This Conflict of Interest Policy was adopted to assist those in decision-making positions by providing guidelines for conflict resolution between personal interests and the interests of this Society and/or its Affiliates.

Definition of Conflict of Interest

A conflict of interest occurs when an individual in a position of authority over the affairs of the Society and/or Affiliates may benefit financially from a decision he or she could make in that capacity, either directly or indirectly, such as to benefit the individual or family members or businesses with which the individual is associated.

Guidelines relating to interests held by an individual shall apply to the extent such interests are or should be known to the individual.

Definition of Financial Interest

An individual has a financial interest if the individual has, directly or indirectly, through business, investment, or family:

- 1) An ownership or potential ownership or investment interest or potential investment interest in any entity with which the Society and/or its Affiliates has a potential or existing transaction or arrangement. Although unlikely, due to the possibility of holding individual investments through stock ownership, mutual funds, and the like, only those investments that constitute a significant financial investment (i.e., holding a financial ownership interest of five percent or more, or holding a financial ownership interest which contributes materially to the individual’s income) raises a concern about a possible conflict of interest; or

- 2) A key position in an organization that does business or is seeking to do business with the Society and/or its Affiliates and is responsible for approving the provision of goods or services to the Society and/or its Affiliates or holds a position with such company as proprietor, director, managing partner, or key employee; or
- 3) A compensation arrangement with the Society and/or its Affiliates or with any entity or individual with which the Society and/or its Affiliates has a transaction or business arrangement. Compensation includes direct and indirect remuneration, as well as gifts or favors that are not insubstantial that the individual shall disclose to the Society and/or its Affiliates as appropriate.

Interested Individual

Any officer (to include President, President-Elect, Vice President, Secretary, Treasurer, Immediate Past Presidents, Speaker of the Council), **MSD executive leadership** (Council, Executive Board, and Holding Company members), **Foundation Board member** (Delaware Foundation for Medical Services, Delaware Medical Education Foundation), **Subsidiary Board member** (Medical Society of Delaware Insurance Services, Medical Network Management Company LLC [MedNet], one of the MedNet Physician Organization Boards, Health Hub LLC), or **Budget and Finance Committee member** who has a direct or indirect financial interest, as defined within this policy, is an interested individual. Any individual who receives compensation directly or indirectly from the Society and/or its Affiliates for services is precluded from voting on matters pertaining to that individual's compensation.

Duty

All Interested Individuals shall exercise care in the performance of their duties, exhibiting honesty and good faith and are required to pursue the best interests of the Society and its Affiliates rather than personal or financial interests or those of some other related individual or entity. The obligations of each Interested Individual includes the duty to protect confidential Society and Affiliate information, which includes but is not limited to, financial information, minutes, business plans, policy proposals and recommendations, policy development plans, confidential membership plans, and other information for the Society, its Affiliates, and any other affiliated organizations.

If a conflict exists, an Interested Individual shall disclose this information and the Interested Individual may have to choose between participation as an Interested Individual serving this Society and/or Affiliate or the other organization. Family members may also be involved in an activity that conflicts with the policies and activities of the Society and/or Affiliate. Potential biases of an Interested Individual will be evaluated and, if necessary, appropriate limits will be placed on an Interested Individual's participation in Society and/or Affiliate actions related to any conflicting activity.

Interested Individuals shall not use the Society and/or Affiliate name and/or his or her affiliation with the Society and/or Affiliate (as outlined above under "Interested Individual") in a manner that would incorrectly imply a Society and/or Affiliate endorsement of a non-Society and/or non-Affiliate product or service or that would imply the Society and/or Affiliate support of a personal opinion or activity. These guidelines continue indefinitely after an Interested Individual's term has expired.

An Interested Individual formerly associated with the Society and/or its Affiliates shall refrain from all conduct, verbal or otherwise, which publicly disparages or damages the reputation, goodwill, or standing in the community of the Society and/or its Affiliates or Society- or Affiliate-associated individuals. However, the expression of differences or disagreements with the policies of the Society and/or Affiliates that is unrelated to his or her official actions through previous Society and/or Affiliate involvement shall not constitute disparagement.

Procedures

All Interested Individuals agree that if a particular circumstance creates or would reasonably appear to create a conflict or impairs impartiality or fiduciary duty to the Society and/or its Affiliates, he/she will act promptly to remain in compliance with this Policy and a disclosure shall be made of the circumstances to the chair of the body prior to participating in any discussion or debate of the issue and the Interested Individual shall abstain from participation and/or vote as determined by the presiding officer. In such circumstances when it is determined or requested to abstain from participation in discussion, the Interested Individual will also abstain from voting on that issue. The Interested Individual may be excused from the meeting, as necessary, during which time discussion occurs and/or a vote is taken on the issue.

Each Interested Individual shall submit an original signed Conflict of Interest Policy to the Society’s Executive Director or his/her designee no later than 30 days after commencing service as an Interested Individual with the Society and/or its Affiliates.

Each Interested Individual shall submit a fully completed and signed Conflict of Interest Policy acknowledgement annually on calendar year basis, based upon continuing in a qualified position described within this Policy. Each Interested Individual shall promptly update any disclosure on this Conflict of Interest Policy as warranted for as long as he or she is an Interested Individual even if the timing does not coincide with the annual filing requirement.

Violations of Conflict of Interest Policy

If the officers, executive leadership, Foundation Board, Subsidiary Board, Physician Organization Board, or Budget and Finance Committee chair has reasonable cause to believe an Interested Individual has failed to disclose actual or possible conflicts of interest, it shall inform the Interested Individual of the basis for such belief and afford the Interested Individual an opportunity to explain the alleged failure to disclose.

If, after reviewing the Interested Individual’s response and after making further investigation as warranted by the circumstances, the officers, executive leadership, Foundation Board, Subsidiary Board, Physician Organization Board, or Budget and Finance Committee chair determines the Interested Individual has failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action, as it deems necessary and appropriate.

Acknowledgement

I am an Interested Individual and I have carefully read and understand this Conflict of Interest Policy, and I agree to abide by and observe this Conflict of Interest Policy. If a particular circumstance creates or would reasonably appear to create a conflict of interest or impair my impartiality or my fiduciary duty in any matter affecting the Society and/or its Affiliates, I will disclose the circumstance(s) to the appropriate person as soon as I become aware of it or prior to participating in any discussion or debate of the issue. I agree that I will excuse myself from the discussion if advised to do so by the person to whom I report such a situation or by senior leadership of the Society or Affiliate. In such circumstances, I will abstain from voting on such issue. When I am no longer an Interested Individual under this conflict of interest policy, I shall refrain from all conduct which publicly disparages or damages the reputation or goodwill of the Society and/or its Affiliates.

Other Organizations On Which You Currently Serve (and term expiration date if known):

Signature of Interested Individual
(Typed name acts as legal signature.)

Date

Printed Name
(Only if handwritten signature used above)

This Conflict of Interest Policy must be signed annually until such time as the individual ceases to be an Interested Individual as described in this Conflict of Interest Policy.

*Approved July 9, 2009
Revised July 2012; May 2017; January 2018; August 2018; December 2020*