CONFLICT OF INTEREST POLICY FOR MEDICAL STAFF

I. PURPOSE

This policy is to safeguard the integrity and reputation of Stanford Hospital and Clinics, and Lucile Packard Children's Hospital (Hospitals), and their medical staffs, by fostering the proper and unbiased conduct of all medical staff activities. In addition, this policy serves to educate medical staff members about situations that generate conflicts of interest, to provide means for the medical staff and the Hospitals to disclose and manage conflicts of interest, to promote the best interests of patients, their families, employees, and other practitioners, and to describe situations that are prohibited.

II. POLICY

A conflict of interest arises when there is a divergence between an individual's private interests and his/her professional obligations to the Hospitals, other medical staff, patients, and employees, such that an independent observer might reasonably question whether the individual's professional actions or decisions are determined by considerations of personal gain, financial or otherwise. A conflict of interest depends on the situation and not on the character of the individual. (Refer to the Industry Interactions Policy from Administrative Manual.)

Conflicts of interest are common and can arise due to the fact that SHC and LPCH promote public good by fostering the transfer of knowledge gained through research and scholarship. Two important means of accomplishing these goals include medical staff consulting, and commercialization of technologies derived from research. While it is appropriate for a medical staff member to be compensated for these activities, it is never appropriate for an individual's actions or decisions made in the course of his/her Hospital activities to be determined or influenced by considerations of personal financial gain. Such behavior calls into question the professional objectivity and ethics of the individual and it also reflects negatively on the Hospitals. Stanford Hospital and Clinics and Lucile Packard Children's Hospital are institutions of public trust and the medical staff must respect that status, and conduct their affairs in ways that will not compromise the integrity of the Hospitals.

Medical Staff members must conduct their affairs so as to avoid or minimize conflicts of interest, and must respond appropriately when conflicts of interest arise.

The following are representative, but not all inclusive, of conflict of interest situations:

- Influence on purchases of equipment, instruments, materials or services for the Hospitals from the private firms in which the medical staff member, or an immediate family member, has a financial interest
- Unauthorized disclosures of patient or Hospitals' information for personal gain
- Giving, offering, or promising anything of value, as a representative of the Hospitals, to any government official to enhance relations with that official or the government
- Transmission to a private firm or other use for personal gain of Hospital supported work, products, results, materials, record, or information that are not made generally available
• Influence upon the negotiation of contracts between the Hospitals and private organizations with
which the medical staff member, or immediate family member, has consulting or other significant
relationships, or will receive favorable treatment as a result of such influence.
• Improper use of institutional resources for personal financial gain
• Acceptance of compensation or free services from a vendor, service provider, or contractor of
the Hospitals, when the medical staff member is in a position to determine or influence the
Hospitals’ purchases from those persons.

III. DEFINITIONS

*Chief of Staff*

**Stanford Hospital and Clinics** – The Chief of Staff is the chief officer of the Medical Staff;
appointed by the Dean of the Stanford School of Medicine; accountable to the President and CEO of
the Hospital; member of the Active Medical Staff.

**Lucile Packard Children's Hospital** – The Chief of Staff is the chief appointed officer of the
Medical Staff; is normally expected to be the same person who serves as the Head of the Department
of Pediatric Medicine of the Hospital and the Chair of the Stanford School of Medicine Department
of Pediatrics; responsible to the Board of Directors; member of the Active Medical Staff.

IV. PROCEDURE

*Disclosure* – Whenever a medical staff member is in a situation where he/she may be potentially in
violation of the above policies, that member should make full disclosure in writing of the details of
the situation to request an exception. This disclosure should be submitted to the Chief of Staff at
each hospital where the practitioner holds membership and privileges.

The Chief of Staff(s) shall review the situation and examine all facts thoroughly for apparent
conflicts. Exceptions shall be granted at the sole discretion of the Hospitals. If the Chief of Staff(s)
determines that the Hospitals would best be served by the granting of the requested exception,
he/she may do so in writing with justification for the granting and delineating of any conditions
placed on the approval. If the Chief of Staff(s) determines that no exception should be granted, that
is a final determination and there is no appeal from that decision. If the Chief of Staff(s) determines
that there has been a violation of this policy, he/she may meet with the medical staff member to
agree upon appropriate resolution of the conflict and/or may institute disciplinary action under the
Medical Staff Bylaws.

*Reporting* – Suspected violations of this policy should be reported to the Chief of Staff(s). Such
reports may be made confidentially, and even anonymously, although the more information given,
the easier it is to investigate the reports. Raising such concerns will not jeopardize anyone's
employment or medical staff membership.

All violations of laws or regulations should be reported to the Chief Compliance Officer or the Chief
Hospital Counsel. Violations will result in the taking of appropriate disciplinary action up to and
including termination of medical staff membership. Disciplinary action will be taken in accordance
with the Medical Staff Bylaws.

V. RELATED DOCUMENTS
IV. DOCUMENT INFORMATION

A. Legal Authority/References

None

B. Author/Original Date

This Policy was authored by the Director, Medical Staff Services, in March, 2003.

C. Gatekeeper of Original Document

Director of Medical Staff Services

D. Distribution and Training Requirements

The distribution and of this Policy will be handled through Medical Staff Services.

E. Requirements For Review and Renewal

This Policy will be reviewed and/or revised every three years or as required by change of law or practice.

F. Review and Revision History

11/06

G. Local Approvals

Hospital Counsel
Medical Boards – Nov. 2003

H. Board Approvals

Board of Directors - November 5, 2003

This document is intended for use by Stanford Hospital and Clinic and Lucile Packard Children's Hospital medical staff and no representations or warranties are made for outside use. Not for outside production or publication without permission.

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