

Valleywise Health Administrative Policy & Procedure

Effective Date: 08/23

Reviewed Dates: 00/00

Revision Dates: 08/25

Policy #: 99305 G

Policy Title: Board Member Conflict of Interest and Gift Policy

Scope: ☒ **District Governance (G)**

☐ **System-Wide (S)**

☐ **Division (D)**

☐ **Multi-Division (MD)**

☐ **Department (T)**

☐ **Multi-Department (MT)**

☐ **FQHC (F)**

Purpose:

The purpose of this policy is to provide guidance to District Board Members in order to avoid actions that might result in, or create the appearance of:

- Using public office or employment for private gain;
- Giving preferential treatment to any organization or person;
- Impairing independence or impartiality of action; and
- Adversely affecting the confidence of the public in the integrity of Valleywise Health governance.

Definitions:

Gift: Any payment, distribution, expenditure, advance, deposit or donation of money, any intangible personal property or any kind of tangible personal or real property as defined in A.R.S. Section 41-1231, as may be amended. Gift does not include the following:

- Expenditures that are either properly reported or exempt from reporting for:
(i) a speaking engagement; (ii) food or beverages; (iii) travel and lodging; or
(iv) flowers
- Salary, compensation or employer-reimbursed expenses lawfully paid to a public official
- A plaque or other form of recognition similar to a plaque to a state officer or state employee to signify the honorary recognition of a service or other notable accomplishment
- Informational material such as books, reports, pamphlets, calendars or periodicals
- A campaign contribution that is properly received and reported as required

by law

- An item that is given to a state officer or employee if the state officer or employee gives an item of approximately the same value to the giver of the item at the same time that the item is given or on a similar occasion as the one that prompted the original item to be given
- Gifts of a personal nature that were customarily received by an individual from the donor before the individual became a state officer or employee
- An item that is given to the general public at an event

Maricopa County Special Health Care District (District): A political subdivision of the State of Arizona empowered to operate a health system pursuant to A.R.S. Section 48-5501 *et seq.* that is dba Valleywise Health.

Maricopa County Special Health Care District Board of Directors (Board): The governing body of Maricopa County Special Health Care District.

Nominal Value: Less than twenty-five dollars.

Relative: A spouse, child, child's child, parent, grandparent, brother or sister of the whole or half blood and their spouses and the parent, brother, sister or child of a spouse, as defined in A.R.S. Section 38-502, as may be amended.

Remote Interest: An interest that does not create a conflict of interest, including the following:

1. That of a nonsalaried officer of a nonprofit corporation.
2. That of a landlord or tenant of the contracting party.
3. That of an attorney of a contracting party.
4. That of a member of a nonprofit cooperative marketing association.
5. The ownership of less than three percent of the shares of a corporation for profit, provided the total annual income from dividends, including the value of stock dividends, from the corporation does not exceed five percent of the total annual income of such officer or employee and any other payments made to him by the corporation do not exceed five percent of his total annual income.
6. That of a public officer or employee in being reimbursed for his actual and necessary expenses incurred in the performance of official duty.
7. That of a recipient of public services generally provided by the incorporated city or town, political subdivision or state department, commission, agency, body or board of which he is a public officer or employee, on the same terms and conditions as if he were not an officer or employee.
8. That of a public officer or employee, or that of a relative of a public officer or employee, unless the contract or decision involved would confer a direct economic benefit or detriment on the officer, the employee or his relative, of any of the following:
 - a. Another political subdivision.
 - b. A public agency of another political subdivision.
 - c. A public agency except if it is the same governmental entity.
9. That of a member of a trade, business, occupation, profession or class of

persons consisting of at least ten members which is no greater than the interest of the other members of that trade, business, occupation, profession or class of persons.

10. That of a relative who is an employee of any business entity or governmental entity that employs at least twenty-five employees within this state and who, in the capacity as an employee, does not assert control or decision-making authority over the entity's management or budget decisions.
11. The ownership of any publicly traded investments that are held in an account or fund, including a mutual fund, that is managed by one or more qualified investment professionals who are not employed or controlled by the officer or employee and that the officer or employee owns shares or interest together with other investors.

Substantial Interest: A nonspeculative pecuniary or proprietary interest, either direct or indirect, other than a Remote Interest.

Vendor: Any person or entity either under contract with Valleywise Health to provide goods or services or subject to a competitive solicitation for the award of a contract with Valleywise Health to provide goods or services.

Policy:

CONFLICT OF INTEREST

Arizona conflict of interest laws are set forth in A.R.S. §38-501 through §38-511. Under these laws, any public officer (a term that includes the District Board of Directors) who has, or whose Relative has, a Substantial Interest in any contract, sale, purchase, service or decision regarding Valleywise Health, must formally declare the existence of the interest by filing a disclosure statement with the Clerk of the Board and agree to refrain from acting upon that interest in any capacity or manner in the matter. The Clerk shall maintain such disclosure in the official records of the District. The Board member declaring a conflict shall refrain from participating in any manner in the contract, sale, purchase, service or decision.

If a Board member has any questions regarding a possible conflict, the Board member may consult with General Counsel and the Chief Compliance Officer to address any possible conflict of interest questions.

GIFT POLICY

A. Solicitation: Board members shall not solicit any Gift from any Vendor.

B. Exception for Charitable Contributions: Solicitation and acceptance of charitable contributions to the Valleywise Health Foundation (hereinafter referred to as the Foundation) are governed in accordance with the Foundation's policies and procedures. Board members may solicit donations on behalf of the Foundation and the Arizona Burn Foundation.

C. Gifts: District Board members may accept Gifts of Nominal Value; however, District Board members may not accept any Gift in the form of cash or cash equivalents (including gift cards or gift certificates) from Vendors. The total value of Nominal Value Gifts accepted in any 12-month period from a single individual or entity may not exceed \$250. Occasionally, Vendors will send a small amount of cash or a gift card in the mail to a Board member. If it is impractical to return such gifts, they should be donated to the Foundation.

D. Promotional Items: Promotional items such as coffee mugs, pens and tchotchkes, may be accepted from a Vendor on an occasional basis if such items are of Nominal Value.

E. Meals, Travel and Entertainment Expenses:

1. Board members may accept a meal of Nominal Value from a Vendor during business meetings. Board members may attend Vendor paid social events in order to further develop business relationships where the cost or fair market value of the event does not exceed \$50 per person per event; however, Board members may not attend sporting events or accept payment or reimbursement of any travel related expenses, including overnight lodging, from Vendors. Board Members, however, may accept an invitation from the Foundation or the Arizona Burn Foundation to attend Foundation or Arizona Burn Foundation sponsored events, including travel and reimbursement to attend such events.
2. Board members may not accept payment or reimbursement of travel related expenses, including overnight lodging, associated with site visits or other travel related to reviewing and evaluating a Vendor's products.

References:

Arizona Revised Statutes §§ 38-501 - 38-511

Form #44239 Valleywise Health Conflict of Interest Form