

<b>Policy Name:</b>	<b>Conflict of Interest</b>	<b>Policy Number:</b>	<b>MGT.004</b>
<b>Approval Body:</b>	Board of Directors	<b>Approval Date:</b>	3/16/17
<b>Review Committee(s) &amp; Dates:</b>	VHAN Management by Compliance, Policies, and Procedures Committee (2/20/17)	<b>Effective Date:</b>	3/16/17
<b>Policy Type</b>	<input checked="" type="checkbox"/> Board/Network <input type="checkbox"/> Internal	<b>Prior Effective Dates:</b>	9/17/15, 3/12/14
<b>Responsible Administrator:</b>	Ann Olsen, Director, Compliance and Policy	<b>Next Review Date:</b>	3/2020

**SCOPE:**

Applies to members of VHAN’s Board of Directors and of Board committees and subcommittees, to VHAN officers and medical directors, and to VHAN senior management.

**PURPOSE:**

To clarify the requirements of VHAN regarding conflicts of interest and to implement a system for disclosure and resolution of potential and actual conflicts of interest.

**POLICY:**

Vanderbilt Health Affiliated Network, LLC (VHAN) is committed to conducting its affairs in accordance with high professional and ethical standards. Members of the VHAN Board of Directors (the “Board”), officers and senior management shall not use their positions for personal gain or expose VHAN or its directors, officers and senior management, as well those doing business with VHAN, to harm as a result of a conflict of interest. VHAN also believes that avoiding such conflicts is important in preserving the public’s trust and the ethical standards and integrity of VHAN. This Policy is intended to supplement, but not replace, any applicable federal or state laws governing conflicts of interest applicable to limited liability companies or the fiduciary duties of directors. As hereafter used in this Policy, the term “Directors” refers and applies equally to directors, officers, and senior management of VHAN, and to any medical director of VHAN.

**Definitions.** For purposes of this Policy:

1. "Compensation" includes wages paid to an employee for services rendered, payment to an independent contractor, remuneration or other consideration of any type whatsoever for any services rendered, and any direct or indirect payment, remuneration, transfer of assets, whether for services or otherwise, and gifts or favors (other than gifts of nominal value, which are clearly not designed to influence your conduct of business on behalf of VHAN).

2. "Family Member" shall include a spouse, domestic partner, dependent, sibling, sister-in-law, brother-in-law, parent or any person residing with the Interested Person.
3. "Financial Relationship" shall mean any financial interest, including Compensation, except that "Financial Relationship" shall not include the ownership of securities which meet the following conditions: (i) the securities are listed on a recognized stock exchange or traded on a regular over-the-counter basis; and (ii) the combined holdings of the securities by the Interested Person and his or her Family Members constitute less than five percent (5%) of the outstanding securities of the corporation.
4. "Interested Person" shall mean any member of the Board or any committee of the Board, any VHAN medical director, and any officer of VHAN or any other person having powers or responsibilities similar to those of directors or officers of VHAN, or any member of senior management of VHAN.
5. "Network Participant" shall mean any entity that has signed a participating provider agreement with VHAN.
6. "Related Party" shall be any entity, including a corporation, individual, partnership or other business organization that may be doing or seeking to do business with VHAN, including a "Network Participant."

#### **Conflict of Interest Determination and Responsibilities**

1. A Conflict of Interest exists for an Interested Person if the Interested Person or Family Member of the Interested Person engages in conduct or has a Financial Relationship with a Related Party, whether by way of investments, employment, personal relationships, or any other obligation or relationship, that could cause one to use his or her position and influence at VHAN for personal gain or for the benefit of others, rather than for serving the best interests of VHAN (a "Conflict of Interest").
2. As soon as any potential Conflict of Interest described above, or any situation as to which a Director may be in doubt, comes to the attention of a Director, full disclosure must be made to the Board through the Chairman of the Board, or his or her designee (the "Chairman"), so as to permit the disinterested Directors of the Board (namely, those Directors whose loyalties are solely owed to VHAN with respect to the matter at hand) to make an impartial and objective determination of whether an actual or potential Conflict of Interest exists, which shall include an analysis of the disclosed dual and competing loyalties and interests under the given facts and circumstances, including whether the same are material to the matter at hand. In making such determination, the Board shall consult with the disclosing Director and such other individuals as the Board may deem appropriate.

3. If the Board determines that an actual or potential Conflict of Interest exists, then the Chairman may require that the Director, among other things, recuse himself or herself from participating in discussions regarding the matter, and refrain from voting on the matter.
4. Any Director having an actual or potential Conflict of Interest on any matter as determined pursuant to this Policy shall not vote or use such Director's personal influence on the matter and shall not be counted in determining a quorum for action on the matter even where permitted by law. The minutes of the meeting of the Board should reflect that a full and accurate disclosure was made, that the Director abstained from participating in discussions on the matter and from voting, and that a quorum was otherwise present. At the request of the Board or any member the Board, the Director having a real or potential conflict of interest shall be excused from any portion of any meeting in which the transaction is to be discussed and voted upon.
5. The foregoing requirements shall not be construed as preventing a Director having a real or potential Conflict of Interest from briefly stating such Director's position on the matter nor from answering pertinent questions of other members of the Board since such Director's knowledge may be of assistance in enabling the members of the Board to fulfill their fiduciary duties to VHAN.
6. VHAN shall keep detailed records relating to any disclosure of a Conflict of Interest. Accordingly, the records of VHAN, including the minutes of the meetings of the Board or a committee of the Board, should include: (i) the names of persons who disclose a Conflict of Interest or a Financial Interest and what further actions, if any, were taken in light of such disclosure; (ii) the names of the persons who were present for discussions and votes relating to any transaction creating or giving rise to a Conflict of Interest, the content of such discussions, including particularly any alternatives to any proposed transaction; and (iii) a record of any votes with respect to the foregoing matters, demonstrating that the action was taken by a majority of persons voting who were not Interested Persons.
7. VHAN shall institute procedures to ensure that this Policy is distributed to all Directors. VHAN shall require each Director to sign a statement that he/she: (i) received a copy of this Policy; (ii) has read and understands this Policy; and (iii) agrees to comply with this Policy.

**Conflict of Interest Disclosure Form.** On an annual basis, all Interested Persons shall complete and submit to the Chairman of the Board a VHAN Conflict of Interest Disclosure Form, as may be modified from time to time, and shall promptly file an updated Conflict of Interest Disclosure Form if there occurs any change in circumstances that would require a modification of, or addition to, any information contained in such person's most recently submitted Conflict of Interest Disclosure Form.

**Violations.** In order to protect VHAN's best interest, appropriate disciplinary action shall be taken with respect to an Interested Person who violates this Conflict of Interest Policy. Such disciplinary action need

not necessarily be, but may include, grounds for suspension and/or removal from the Board or any committee of the Board or, with respect to individuals who are employees of VHAN or members of senior management (whether or not employed by VHAN or a third party), disciplinary action up to and including termination of employment or request for removal of such individual as a member of senior management

**Procedures.** VHAN Management, through its Compliance, Policies, and Procedures Committee, shall develop and approve procedures to implement this policy.

#### **PROCEDURES:**

- VHAN MGT.F.001 Conflict of Interest Disclosure Form
- VHAN MGT.PR.002 Conflict of Interest Disclosures and Management Procedure (pending)

#### **REFERENCES:**

- VHAN Participation Agreements

#### **APPROVAL TRACKING:**

<b>Committee Name and/or Executive Title</b>	<b>Chairperson/Designee Name</b>	<b>Approval Date</b>
Compliance, Policies, and Procedures Committee	Ann Olsen	2/20/17
Board of Directors	C. Wright Pinson, MD	3/16/17