

MCW CONSORTIUM ON PUBLIC AND COMMUNITY HEALTH, INC.

POLICY ON CONFLICTS OF INTEREST

1. Background. In light of its unique structure, the MCW Consortium on Public and Community Health, Inc. (the Consortium) has adopted this policy on conflicts of interest to facilitate the proper discharge of its special oversight and advisory role. The Consortium's board was designed by the Office of the Commissioner of Insurance (OCI) to have each director representing a certain specific interest. Thus, the board consists of a Statewide Health Care Advocate, three Community Health Advocates, a Commissioner's Appointee, and four Medical College of Wisconsin (MCW) Representatives. By design, each director is an "interested director" insofar as he or she represents the specified institution or type of health issues, which he or she has been appointed or nominated by or charged with representing. Thus, it follows that a Consortium director cannot be deemed to have a disqualifying "interest" (i.e. a "conflict of interest" as discussed in this policy) with respect to any matter which impacts
 - a. the entity (i.e. MCW) or individual (i.e. the Commissioner) which appointed him or her;
 - b. the entity (i.e. the qualifying non-profit or governmental organization) which nominated him or her; or
 - c. the health issues for which he or she is an identified advocate.

Because each director openly represents another institution and/or a certain type of interest, and the other directors are aware of these facts, it is presumed for purposes of this policy, that the board is aware of these matters and that such representation does not create a conflict of interest.

The following policy proceeds from and should be interpreted in accordance with this background, and is applicable only to consideration of Healthier Wisconsin Partnership Program proposals.

2. Definitions. A "conflict of interest" is present when a director or officer has a material personal financial interest in a proposal under review by the Consortium. This interest can occur directly, as when the director or officer is personally involved, or indirectly, as when the director or officer or a family member of a director or officer has an employment or investment relationship with an entity involved in the proposal under review by the Consortium. Conflicts may also arise in situations where a director or officer receives no monetary or other tangible benefit from a proposal under review by the Consortium. For example, access to information

which could be used for individual advantage might put a director in conflict with the Consortium. Directors also need to be sensitive to the possibility that service on the board of another entity may create the potential for a conflict of interest or the appearance of a conflict. Even if a director or officer does not have a financial relationship with the other entity, his or her obligations to the other entity can create a conflict of interest when that entity has a proposal under review by the consortium. The employment and board relationships that may create a conflict do not include those employment and board relationships which are intrinsic to each director's seat on the Consortium's board, as discussed in Section 1 above.

3. Policy. It is the duty of the Consortium's directors and officers to exercise their powers strictly in the interests of the Consortium's oversight and advisory role and not in their own interests or in the interests of another person, constituency, or entity (except for those person, constituencies or entities which have caused their appointment to the Consortium's board). Directors and officers of the Consortium have a duty, at all times, to exercise the utmost good faith in discharging their responsibilities as directors of the Consortium. In their dealings with and on behalf of the Consortium, they shall be held to a strict rule of honest and fair dealing. Directors and officers will at all times be alert and sensitive to any interest they may have that might be considered to conflict with the interests of the Consortium.

4. Procedures.

a. Annual Disclosure of Interests: Other Disclosures. Any duality of interest or possible conflict of interest, as defined above, on the part of any director or officer shall be promptly and fully disclosed to the Board of Directors. The duality or conflict shall be made a matter of record through an annual questionnaire, as well as whenever the interest relates to a matter of Board action. Any director or officer who has an interest in a matter presented to the Board or a committee thereof for approval, consideration or ratification shall make a prompt and full disclosure of his/her interest to the Board or a committee prior to its acting on the matter. A director or officer who plans not to attend a meeting at which he or she has reason to believe that the Board or a committee will act on a matter in which the person has a conflict of interest shall disclose to the Chairperson all facts material to the conflict of interest. The Chairperson shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.

b. When Duty to Disclose Arises. The duty to disclose the existence of conflicting interests arises without regard to whether the proposal is an approvable one or whether the director or officer urges or opposes the proposal. In all cases, a disclosure shall be made in the following circumstances:

1. where the officer or director, or a family member of the officer or director is a principal investigator on a proposal; or

2. where the principal investigator , whether employed by the organization or otherwise, reports directly to the officer or director, or a family member of the officer or director; or
3. where the officer or director has recently been or is currently a formal mentor or supervisor for a principal investigator on a proposal.

It is not possible to describe all possible situations in which a conflict of interest or the appearance of a conflict of interest may arise. Therefore, if an officer or director has any question about whether a disclosure should be made, that officer or director should disclose and recuse themselves as provided in the next paragraph.

- c. Procedure After Disclosure. Once a director or officer has disclosed the conflicting situation as described above, and answered any questions the Board or Committee may have, he or she will leave the meeting, not participate in any vote on the proposal in question and return to the room only when action on that proposal has been completed. If a majority of the disinterested directors present at a meeting of the Board of Directors at which a quorum is present determines that the proposal should be approved and votes to approve the proposal, then such proposal shall be deemed approved. The interested director may be counted in determining whether a quorum is present at the meeting as a whole, but may not vote or be counted as voting on the matter or in calculating the majority of the quorum necessary to carry the vote.

In the unlikely event that a director or officer declines to recuse him or herself when recusal is required by this policy, the Consortium will table the proposal in question.

- d. Minutes of Meeting. Whenever this process of disclosure occurs, the minutes of the meeting shall reflect the disclosure that was made, the names of the directors who were present for discussions and votes relating to the matter, the abstention from voting, the quorum situation, and the Board's determination. The requirements described above shall not be interpreted as preventing the interested director from stating briefly his or her position on the matter or from answering relevant questions of the other directors.
- e. Failure to Disclose. If the Board or a committee has reasonable cause to believe that a director or officer has failed to disclose actual or possible conflicts of interest, it shall inform the director or officer of the basis for such belief and afford him or her an opportunity to explain the alleged failure to disclose. If, after hearing the response and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the director or officer has in fact failed to disclose an actual or possible conflict of interest, it shall take whatever corrective action may be appropriate.

- f. Annual Questionnaire. Each director and officer of the Consortium shall complete an annual questionnaire (attached hereto) disclosing any duality of interest or possible conflict of interest known at that time.

Effective Date:

Supersedes Prior Policy dated: