

Beaumont

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Last Approved	10/11/2022	Contact	Sr Dir, Compliance
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Business Ethics and Compliance

Document Type: Policy

I. PURPOSE AND OBJECTIVE:

Beaumont Health (BH) is committed to conducting its business ethically and in compliance with all applicable laws, regulations and internal policies. The Beaumont Health Business Ethics and Compliance Policy provides BH workforce information about the principles and guidelines that support the Beaumont Health Code of Conduct as well as Beaumont Health's mission, vision and values. This Policy helps BH workforce understand how to conduct business ethically and consistent with the legal requirements that apply to their assigned duties and responsibilities.

II. DEFINITIONS:

- A. **"Antitrust Laws"** - legislation enacted by federal and various state governments to regulate trade and commerce by preventing unlawful restraints, price-fixing, and monopolies; to promote competition; and to encourage the production of quality goods and services at the lowest prices.
- B. **"Beaumont Health" or "BH"** - collectively refers to William Beaumont Hospital, Botsford General Hospital, and Oakwood Healthcare Inc. ("Subsidiary Hospitals") and to all Beaumont Medical Group entities.
- C. **"Beaumont Health workforce" or "BH workforce"** – collectively refers to clinicians and non-clinicians as well as any person receiving compensation for services provided to Beaumont Health under the terms of a contractual agreement.
- D. **"Clinician"** - includes BH employees and trainees at all levels (students, interns, residents, fellows, post-doctoral trainees, etc.) in any patient care discipline, including specialties of medicine, dentistry, nursing and allied health sciences, as well as private attending staff who

provide services in conjunction with BH on BH premises or at other sites, or who participate with BH in any type of activity, event, or program.

- E. **"Non-Clinician"** - includes employed administrators, managers, support, clerical and technical staff, and others, such as volunteers who comprise BH workforce, including but not limited to agents, independent contractors, and consultants.
- F. **"Conflict of Interest"** or "COI" - is a situation in which financial or other personal considerations may or actually do compromise, or have the appearance of compromising, an individual's judgment in conducting BH business.
- G. **"Ethical"** – acting consistent with the standards for right conduct or practice, including any professional standards as stated in specific sections of this Policy.
- H. **"Financial Interest"** - anything of monetary value that is received directly or indirectly, through business, investment, or to family members, including, but not limited to, salary, consulting fees, compensation arrangements, honoraria, royalties, stocks, bonds, dividends, capital gains, ownership interests, rent, and ownership, investment interests, or compensation arrangements in any entity with which Beaumont Health has an arrangement or the potential of entering into an arrangement.
- I. **"Family Member"** - means, as applicable your spouse; domestic partner; parents and grandparents; children, grandchildren and great-grandchildren; brothers and sisters (by blood, adoption or marriage); mother-in-law and father-in-law, brothers-in-law and sisters-in-law, daughters-in-law and sons-in-law. Adopted, half and step members are included as Family Member.
- J. **"Fraud"** – for purposes of this Policy, fraud means a false representation of a matter of fact whether by words or conduct, by false or misleading allegations, or by concealment of what should have been disclosed that deceives or is intended to deceive another so that the individual will act upon it to his or her detriment.
- K. **"Grant"** – is the provision of items or money voluntarily given to another person, sometimes for a particular purpose and with specific obligations.
- L. **"Industry"** – is any entity, representative of such entity, or distributor of a manufacturer or company that develops, produces, markets, sells, or distributes items or services such as, drugs, biomaterials, herbal/nutritional products, devices, equipment, consulting services, etc. intended for use in the clinical, business, research, or academic aspects of Beaumont Health. Industry generally does not include professional, academic or government organizations.
- M. **"Legitimate Beaumont Health Business Purpose"** – is a course of action(s) consistent with the policies, procedures, and practices of Beaumont Health which further its non-profit mission, vision and values, such as:
 - 1. The delivery of health care services and items including, but not limited to, the acquisition of goods, services, and real property; the recruitment and retention of a qualified workforce; and the conducting of research and academic initiatives;
 - 2. Educating public and private sectors about issues affecting the health care industry and Beaumont Health;
 - 3. Directing health care operations, including, but not limited to, quality assessment and clinical improvement activities, business planning and development, and revenue management; and

4. Engaging third-party payors to compensate the delivery of health care services and items.
- N. "**Sanction Screening**" – a control employed by Beaumont to detect, prevent and manage sanctions risk.
- O. "**Vendor**" – a person/legal entity who sells goods or services.

III. GENERAL:

The requirements of this Policy must be adhered to by BH workforce during their day-to-day activities, including when caring for patients and families and when conducting business, research, and academic activities. Adherence to provisions of this Policy is expected when dealing with patients, families, fellow BH workforce members, our communities, the public, the business community, payors, vendors, and government and regulatory authorities. BH workforce members may be subject to disciplinary or corrective action, including discharge consistent with Human Resources Policies, for failing to adhere to the principles and requirements set out in this Policy.

BH recognizes that it has an obligation to its patients and their families, payors, BH workforce, and the communities it serves to maintain the highest level of integrity to ensure clinical, business, and academic decision-making is not compromised or improperly influenced. Relationships with industry play a vital role in the care for our patients. It is imperative, however, that we minimize the potential for real or perceived bias in our dealings with industry by exercising good judgment and ensuring compliance with the law.

While this Policy may not be inclusive of every situation that a BH workforce member may face, each of us must exercise good judgment and be committed to upholding Beaumont Health standards of integrity and business ethics as established throughout this Policy.

BH Workforce are subject to supplemental guidance based on their job functions.

- *Members of the **Medical Staffs** must abide by the professional principles or codes of ethics appropriate to their profession. See also the Bylaws of the Medical Staffs for each Beaumont Health Hospital.*
- *The **Research Institute** has a department-specific conflict of interest policy and program to address specific regulations relating to research. The Research Institute Policy is an extension of Beaumont Health's Business Ethics and Compliance Policy and is overseen by Research Institute Administration and the Corporate Compliance Program. Additionally, Research proposals are governed by the Research Institute's Competitive Grant Proposal Development and Submission Policy.*
- *The Beaumont Health **Foundation** (Foundation) has the primary responsibility for compliance oversight on matters related to the conduct of fundraising and solicitations that do not involve research; therefore, fundraising and solicitation activities separate from grant proposals must be conducted under the direction and proper guidance of the Foundation as stated in the Foundation's Fundraising and Solicitation Policy.*

IV. GUIDING PRINCIPLES:

A. **Conduct Business Ethically and in Compliance with Legal Requirements**

BH workforce and vendors must acquaint themselves with the legal requirements that apply to their assigned duties and responsibilities and conduct themselves in compliance with those requirements, including, for example, compliance with federal and state laws and regulations regarding fraud, abuse, waste and false claims.

B. **Safeguard Confidential/Proprietary Information**

BH workforce must maintain and protect the confidentiality of any proprietary information that they learn or obtain during the course of their employment (e.g., patient information, strategic plans, business objectives, financial performance or targets, integration initiatives, etc.). BH workforce must use such information only in a manner consistent with the purposes for which it was shared with them. Confidential/proprietary information must not be used by BH workforce, either during or after their employment or arrangement, for any non-BH purpose.

C. **Maintain Truth in Documentation**

Internal record keeping and transactions between BH and outside individuals and organizations must be carefully and honestly prepared. Records must be an accurate representation of the activity or business transaction. False or misleading entries in any BH records are not permitted, and may be illegal. Clinical decisions for patients are based on identified patient health care needs. Clinical decisions must not be based on the way BH compensates or shares financial risk with its management, clinical staff, or licensed independent contractors.

D. **Avoid Antitrust Activities**

Antitrust laws are designed to promote fair competition and protect trade and commerce from unlawful restraints, price discrimination, price fixing, and monopolies. BH workforce shall not discuss with its competitors any pricing or labor costs information; the terms of supplier contracts; allocation of markets; or engage in group boycotts. Before considering any agreements or entering into discussions with a competitor concerning any of these issues, BH workforce shall first obtain the advice of Office of General Counsel.

E. **Prevent Fraud**

BH policies and procedures are designed to prevent and detect fraud in internal business practices. Any actual or potential instances of fraudulent behavior are dealt with swiftly and decisively. The Compliance, Audit, Accreditation and Risk ("CAR") Department, with the support of senior management, is responsible to oversee fraud risk via the Compliance Risk Management program.

F. **Monitor and Report Unethical or Unlawful Behavior**

BH's policy is to deter the occurrence of unethical or unlawful behavior, to detect as early as possible such behavior whenever it occurs, to appropriately disclose such behavior to authorities and to actively and fully cooperate in any investigation or regulatory inquiry.

G. **Use Company Assets Appropriately**

BH property, facilities, and equipment (i.e., assets) are purchased for BH business purposes. The borrowing or removal of company property for non-business purposes is prohibited.

H. **Participate in Professional Organizations Responsibly**

BH workforce serving in leadership positions in professional organizations must not

participate in activities and decisions that do not serve the mission or best interests of Beaumont Health.

I. Act with Integrity

BH workforce should reflect the highest standards of honesty, integrity, and ethical behavior. Employees must be sensitive to any situation that might adversely impact confidence in the professional services and capabilities of Beaumont or its physicians, nurses or other employees, and at all times use good judgement and common sense in the way they conduct themselves. Employees should not make, repeat, or publish any defamatory, false, malicious or disparaging statements about the professional capabilities of Beaumont, or its physicians, nurses, or other employees.

J. Understand Permissible Political Activities

Beaumont Health, as a non-profit health system, is prohibited by federal law from directly or indirectly participating or intervening in any political campaign on behalf of (or in opposition to) any candidate for elective public office. This restriction prohibits direct contributions to political campaign funds or public statements of position (oral or written) made on behalf of BH in favor of or in opposition to any candidate for public office. However, there are legitimate business reasons for Beaumont Health to educate its BH workforce and to educate or advise elected and appointed government officials regarding issues affecting BH and the healthcare industry. Refer questions to the Government Relations Department.

K. Conduct Sanction Screening

Ensure compliance with federal regulations specifying that federal funds shall not be used to support payments to "sanctioned" individuals and entities. Beaumont Health maintains compliance by checking Federal Government debarment and exclusion databases as well as other applicable government lists and databases on an ongoing basis. We monitor to determine whether employees, contractors, students/trainees, residents, fellows, vendors, physicians, and other specified groups appear on any exclusion or debarment database. Beaumont Health does not knowingly employ, contract or retain workforce members or other entities who appear on any sanction list. See Sanction Screening policy.

V. RELATIONSHIPS WITH VENDORS:

BH must separate as much as possible the influence of industry and vendors from the decision-making and business activities of BH, practice of medicine, education of BH workforce, and the delivery of health care services. BH workforce must not incur or maintain any kind of financial or personal obligation or interest that would affect good judgment in transacting business on behalf of BH. Any appearance of impropriety or influence over a BH workforce member's decision-making on behalf of Beaumont Health is strictly prohibited.

Permissible and prohibited interactions with vendors and industry are documented in detail in the Conflict of Interest Program policy.

A. Vendor Access to Beaumont Health Premises

BH is committed to ensuring the privacy and safety of patients, their families and the BH workforce on-campus and off-campus by limiting vendor access to Beaumont Health premises unless prior arrangements are made. Please refer to Beaumont Health Supply Chain Policies which set out the criteria for when vendor access to Beaumont Health work spaces may be

permitted. At no time can a vendor access BH patient care or workplace areas to promote or provide information regarding drugs / supplies that are not on the Beaumont formulary. Please refer to Beaumont Health Supply Chain Policies.

B. Beaumont Health as a Vendor

In cases where Beaumont Health is a vendor, it is expected that BH workforce will adhere to BH marketing policies. Additionally, the policies of BH customers are also to be adhered to, as long as those policies applicable to vendors are not inconsistent with state and federal laws, rules, and regulations.

VI. INQUIRIES:

Questions regarding this Policy should be directed to the Beaumont Health CAR Department at Compliance_Audit_Risk@beaumont.org.

Attachments

[Vendor Relationships Key Policy Provisions](#)

Approval Signatures

Step Description	Approver	Date
SVP Chief Compliance Officer	Gina Arnett Thompson: SVP Chief Compliance Officer	10/11/2022
Policy and Forms Steering Committee Approval (if needed)	Melissa Lehner: Sr Dir, Compliance	10/7/2022
Policy and Forms Steering Committee Approval (if needed)	Ilene Hirsch: Project Mgr Policy	10/7/2022
	Melissa Lehner: Sr Dir, Compliance	10/7/2022