Medical Staff and Hospital Conflicts of Interest: Practical strategies for tackling today's challenges

Presented by

Richard A. Sheff, MD, chair and executive director
and
John McGinty
Target Audience:

- Members of the Greeley Medical Staff Institute
- Medical staff officers
- Medical staff department chairs
- Medical executive committee members
- Developing medical staff leaders
- Senior hospital managers
- Governing board members
- Medical staff professionals
- Credentials committee members
- Medical staff quality committee members
- Vice presidents for medical affairs/Chief medical officers
- CEOs
- COOs
- Governing Board Members

Statement of Need:

This audioconference program is to educate and train members of The Greeley Medical Staff Institute, physicians and other healthcare leaders on the new regulations and challenges with regard to medical staff and hospital conflicts of interests.

Educational Objectives:

At the conclusion of this audioconference, participants will be able to:

- Recognize the importance of conflicts of interest
- Identify realistic examples of conflicts of interest from one’s own personal experience
- Demonstrate commitment to policy development for conflicts of interest
- Demonstrate commitment to education of the Medical Staff regarding conflicts of interest
- Identify inherent conflicts of interest within the Medical Staff
The “Medical Staff and Hospital Conflicts of Interest: Practical strategies for tackling today’s challenges” audioconference materials package is published by The Greeley Medical Staff Institute, 200 Hoods Lane, P.O. Box 1168, Marblehead, MA 01945.

Copyright 2006, The Greeley Medical Staff Institute, a division of HCPro, Inc.

Attendance at the audioconference is restricted to employees, consultants, and members of the medical staff of the Licensee.

The audioconference materials are intended solely for use in conjunction with the associated Greeley Medical Staff Institute audioconference. Licensee may make copies of these materials for internal use by attendees of the audioconference only. All such copies must bear this legend. Dissemination of any information in these materials or the audioconference to any party other than the Licensee or its employees is strictly prohibited.

Advice given is general, and attendees and readers of the materials should consult professional counsel for specific legal, ethical, or clinical questions. HCPro is not affiliated in any way with the Joint Commission on Accreditation of Healthcare Organizations.

HCPro, Inc., is accredited by the Accreditation Council for Continuing Medical Education to provide continuing medical education for physicians.
Contents

Agenda .............................................................................. v

Speaker profiles ................................................................. vii

Exhibit A ........................................................................... 1
   Presentation slides provided by Richard A. Sheff, MD, and John McGinty

Exhibit B ........................................................................... 8
   Sample medical staff conflict of interest policy

Resources ............................................................................. 11
Agenda

1. Setting the stage: Conflict of interest and ethics in the corporate world

2. What is a conflict of interest?

3. How many medical staff opportunities for conflicts of interest are there?
   Let me count the ways:
   A. Peer review: Am I a competitor
   B. Credentials and privileging: Am I a competitor
   C. Employed physicians
   D. Exclusive contracts
   E. Physicians friendly to the hospital (CEO’s kitchen cabinet/too close to the hospital)
   F. JV partners
   G. Physicians competing with hospital (ASCs)
   H. Physicians on other hospital staffs
   I. Physicians who are leaders or JVs with other hospital staffs
   J. Physicians with roles in other organizations, such as MCOs
   K. Physicians with family/relatives with any of these other entities
   L. Physicians with ownership or interests in device manufacturers
   M. Contracted services, such as dialysis service organization
   N. Physicians involved in research
   O. Physicians with personal conflicts (a physician who had an affair with your spouse)
   P. Religious conflicts of interest
   Q. Are medical staff leaders physician advocates? If so, for whom?
      When is being a medical staff leader not about advocacy? (e.g., fulfilling board assigned responsibilities)
   R. Physicians as governing board members
   S. VPMA/CMO/Medical directors

4. How should medical staffs address conflicts of interest?

5. Q&A
About The Greeley Company

The Greeley Company’s consultants and educators are physician leaders and senior healthcare professionals with hands-on experience in hospital, ambulatory, physician practice, and managed care settings. Our approach is to provide consultation, education, and training that is timely and cost-effective and to partner with our clients to produce high-impact results that serve the best interests of your organization, your patients, and the communities you serve.

We're dedicated to helping healthcare leaders succeed in the face of today's toughest challenges. We know how hard your job is. We have years of experience doing your job and helping others across the country do their jobs. From that experience, we know you don't always have all of the talent, resources, or time available within your organization to tackle the issues most important for your success and sometimes even for your organization's survival. So when you need help, we'll be there with the customized, effective solution you need.

Contact us at
Consulting: 888/749-3054  781/639-0085 (fax)
Seminars: 800/801-6661  800/738-1553 (fax)

About The Greeley Medical Staff Institute

The Greeley Medical Staff Institute is a unique membership organization dedicated to serving the needs of hospital and medical staff leaders who recognize the importance of effective physician relationships to their hospital’s success. Members of the institute receive exclusive access to high-level, nationally renowned consulting experts—all physicians and former hospital leaders—who work closely with you and members of your staff to develop and implement a multifaceted relationship-building program. Each customized program is designed to reduce hospital costs, build effective medical staff leadership, develop a succession strategy, comply with regulatory requirements, meet public accountability for quality, and train staff to practice safe and effective medicine.
Richard A. Sheff, MD

Richard A. Sheff is the Chairman and Executive Director of The Greeley Company. He brings over 25 years of healthcare management and leadership experience to his work with physicians, hospitals and healthcare systems across the country.

Dr. Sheff, with a distinctive combination of medical, healthcare and management acumen, develops tailored and valued solutions to the unique needs of physicians and hospitals. Dr. Sheff has consulted, authored and lectured on a wide-range of healthcare management and leadership issues and topics including governance, hospital and medical staff performance improvement, managing poor quality and disruptive physicians, patient safety and error reduction, credentialing, medical staff effectiveness and redesign, medical staff leadership development, strategic planning, and regulatory compliance.

Prior to joining The Greeley Company, Dr. Sheff’s positions included VPMA, IPA president, PHO medical director, president of a corporation that owned and operated physician practices, and group practice medical director. He has taught at Tufts University School of Medicine and served as chairman of the Massachusetts Academy of Family Practice Research Committee.

Dr. Sheff is a graduate of the University of Pennsylvania School of Medicine and the Brown University residency program in family medicine. He was an undergraduate at Cornell University and recipient the Keasbey Scholarship for the study of politics and philosophy at Oxford University.

John McGinty

John C. McGinty Jr. is a Senior Consultant at The Greeley Company. He brings more than 25 years of experience in healthcare management and leadership to his work with hospitals and physicians across the nation.

Mr. McGinty applies his extensive experience in hospital administration and working with medical staffs to help hospitals and physicians develop solutions to their complex medical staff and hospital performance needs and objectives. He has particular expertise in the areas of medical staff development planning, exclusive contracts, physician-hospital conflicts, bylaws, medical staff mergers and redesign, and hospital governance. In addition, Mr. McGinty has presented and consulted on community health improvement, board governance development, management development, strategic planning, diversification, medical staff leadership development, cost reduction, creative joint ventures, and community leadership. He is an editorial board member for Healthcare Governance Report and Briefings on JCAHO by HCPro, Inc..

Mr. McGinty has achieved many honors and awards including the VHA National Quality Leadership Award and awards from Fortune Magazine, Hospital Magazine, American College of Healthcare Executives, Wisconsin Hospital Association, and Indiana State Department of Health. Prior to joining The Greeley Company, Mr. McGinty served more than 20 years as hospital CEO, including ten years as CEO of Southeastern Indiana Health Management, Inc., and Columbus Regional Hospital and ten years as CEO of Kenosha Memorial Hospital. Previously he served in multiple leadership positions at Waukesha Memorial Hospital.

Mr. McGinty earned an M.S. in hospital administration from Xavier University. He holds a B.S. in economics from Carthage College.
Vested Interest Statement:
HCPro, Inc. has a conflict of interest policy that requires course faculty to disclose any real or apparent commercial financial affiliations related to the content of their presentations/materials. It is not assumed that these financial interests or affiliations will have an adverse impact on faculty presentations; they are simply noted here to fully inform the participants.

Accreditation/Designation Statement:
HCPro, Inc. is accredited by the Accreditation Council for Continuing Medical Education to provide continuing medical education for physicians.

HCPro, Inc. designates this educational activity for a maximum of 1 AMA PRA Category 1 Credit(s)™. Physicians should only claim credit commensurate with the extent of their participation in the activity.
Exhibit A
Speaker presentation slides by

Richard A. Sheff, MD,
chair and executive director,
and
John McGinty
Medical Staff Institute Audio Conference

Medical Staff and Hospital Conflicts of Interest

Faculty: Rick Sheff, MD and John McGinty

What is a conflict of interest?

A person has a conflict of interest when the person is in a position of trust which requires her to exercise judgment on behalf of others (people, institutions, etc.) and also has interests or obligations of the sort that might interfere with the exercise of her judgment, and which the person is morally required to either avoid or openly acknowledge.*

*http://www.unmc.edu/ethics/words.html#C
Conflict of interest policy elements

- Obligation for full disclosure of all conflicts of interest and potential conflicts of interest

- The body on which the physician sits determines the extent to which physician can participate in the discussion or vote

Conflict of interest policy implementation

- Education (annually)

- Physicians sign conflict of interest statement (annually)

- Just in time reminders
How can physicians be in a conflict of interest?

Let me count the ways

Conflicts with hospital

- Physicians competing with hospital (ASCs)
- Physicians on/loyal to other hospital staffs
- Physicians who are leaders of, or in joint ventures with other hospital staffs
- Physicians with roles in other organizations, such as MCOs
Conflicts between physician groups with different hospital relationships

- Employed physicians
- Exclusive contracts
- Physicians friendly to the hospital (CEO’s kitchen cabinet/too close to the hospital)
- Paid medical directorships
- Joint venture partners
- Contracted services, such as dialysis service organization

Medical staff leadership role conflicts

- Are medical staff leaders physician advocates?
  - If so, for whom?
- When is being a medical staff leader not about advocacy? (e.g. fulfilling board assigned responsibilities)
Board, administration, and medical staff relationships

- Board of directors
- CEO
- Medical staff

Medical staff leadership role conflicts

- Physicians as governing board members
- VPMA/CMO/Medical directors
Conflicts between physicians

- Peer review:
  Am I a competitor

- Credentials and Privileging:
  Am I a competitor

- Personal relationship:
  Do we have past conflicts?

Individual conflicts

- Physician with family/relatives with any related or competitive entities

- Physicians with ownership or interests in device manufacturers

- Physicians involved in research

- Religious conflicts of interest
Exhibit B

Sample medical staff conflict of interest policy

Source: Richard A. Sheff, MD.
Reprinted with permission.
SAMPLE

Medical Staff Conflict of Interest Policy

Policy:

It is the policy of [______ hospital/healthcare system] that all physicians serving in an elected or appointed position in the organized medical staff (such as an officer, department chair, or a member of the medical executive, peer review, or credentials committees), or otherwise carrying out a function of the organized medical staff (such as peer review), shall act in good faith to fulfill their responsibilities under the medical staff’s bylaws, rules and regulations, and policies. In order to achieve this goal, physicians shall fully and openly disclose any actual or potential conflicts of interest at the time they arise in the course of serving in such a position or fulfilling such a medical staff function. At the time of disclosure, it is the responsibility of the medical staff, through its self governing structure, to determine whether and to what extent such conflict of interest should limit the physician’s participation in their position, medical staff function, or the particular issue under consideration.

Procedure:

1. At least annually, each physician serving in an elected or appointed position in the organized medical staff shall complete a conflict of interest disclosure form identifying any activities, interests, relationships or financial holdings that create or have the potential to create a conflict of interest for the physician in carrying out the responsibilities of that position.

2. When an issue comes before the individual physician as a result of serving in a position in the organized medical staff, such as a department chair or member of a committee, to which an actual or potential conflict of interest may be relevant, the physician shall disclose the conflict of interest prior to participating in consideration of that issue. Such disclosure shall include any conflicts of interest that may have developed since the physician’s previous completion of the conflict of interest disclosure form.

3. If the physician’s position to which the conflict applies is membership of a committee, such as the credentials or medical executive committee, the disclosure shall be made to the committee as a whole. The physician shall then remove him or herself from the committee while the committee determines whether and to what extent the physician may participate in consideration of the issue.

4. If the physician’s position to which the conflict applies is an elected or appointed leadership role, such as a medical staff officer or department chair, the physician shall make the disclosure to the individual or committee to which that position is accountable in the organized medical staff governing structure. It shall be the responsibility of the individual or committee to which the disclosure is made to
determine whether and to what extent the person making the disclosure may participate in consideration of the issue. For example, a department chair considering a privileging issue for a direct competitor shall disclose the potential for a conflict of interest to the credentials committee. The credentials committee shall then determine if the department chair should make any recommendations concerning the competitor’s privileges or not. If it is the [chief of staff/president of the medical staff] to whom a conflict applies, disclosure shall be to the medical executive committee which shall be responsible for determining the degree to which the physician may participate in consideration of the issue.
Contacts

The Greeley Medical Staff Institute
Catherine Butler
Director of member relations
200 Hoods Lane
P.O. Box 1168
Marblehead, MA 01945
Telephone: 888/749-3054 ex 3123
Fax: 781/639-0085
E-mail: cbutler@greeley.com

The Greeley Medical Staff Institute
Andrea McLennan
Client relations manager
200 Hoods Lane
P.O. Box 1168
Marblehead, MA 01945
Telephone: 800/862-9516
Fax: 781/639-0085
E-mail: amclennan@greeley.com

HCPro sites

HCPro: www.hcpro.com
It is HCPro’s mission to meet the specialized information, advisory, and education needs of the healthcare industry and to learn from and respond to our customers with services that meet or exceed the quality they expect. Visit HCPro’s Web site at www.hcpro.com and take advantage of our new Internet resources. At hcpro.com, you will find
• the latest news, advice and “how-to” information in the world of healthcare.
• resourceful, FREE e-mail newsletters covering everything from survey preparation and JCAHO standards to healthcare credentialing and health information management. Sign up for weekly e-mail updates sent right to your computer.
• your healthcare questions answered by HCPro’s experts.
• weekly tips on how to perform your job at your best.
• in-depth “how-to” stories in our premium newsletters, including Briefings on JCAHO, Medical Staff Briefing, and the Credentialing Resource Center. (Paid subscriptions or pay-per-view are required to read premium newsletter content.)
• the most comprehensive products and services (through our online store, HCPro’s www.hcmarketplace.com) to help you tackle the tough issues you face on the job every day.
• all of the information and resources you need in the following healthcare areas:
  - Accreditation
  - Case management
  - Corporate compliance
  - Credentialing/privileging
  - Executive leadership
  - Finance
  - Health information management
  - Infection control
  - Long-term care
  - Marketing
  - Medical staff
  - Nursing
  - Pharmacy
HCPro continues to offer the expert advice and practical guidance you’ve come to rely on to meet your daily challenges. This valuable information will be available to you 24 hours a day, seven days a week via the Internet.

**The Greeley Company, a division of HCPro:**
Get connected with leading healthcare consultants and educators at The Greeley Company’s Web site at [www.greeley.com](http://www.greeley.com). This on-line service provides the fastest, most convenient, and most up-to-date information on our quality consulting and national training offerings to healthcare leaders. Visitors will find a complete listing of all our products and services, which include consulting services, seminars, and conferences, and links to other HCPro offerings.

Here’s what visitors will find:
- Detailed descriptions of all The Greeley Company’s consulting services
- A catalog and calendar of Greeley’s national seminars and conferences and available CMEs
- Faculty and consultant biographies—learn about our senior-level clinicians, administrators and faculty who are ready to assist your organization with your consulting needs and seminars
- Ask-the-expert Q&A
- A list of Greeley clients
- A link to free e-mail newsletters

**HCPro’s Healthcare Marketplace:** [www.hcmarketplace.com](http://www.hcmarketplace.com)
Looking for even more resources? You can shop for the healthcare management tools you need at HCPro’s Healthcare Marketplace at [www.hcmarketplace.com](http://www.hcmarketplace.com). Our online store makes it easy for you to find what you need, when you need it, in one secure and user-friendly e-commerce site.

At HCPro’s Healthcare Marketplace you’ll discover all of the newsletters, books, videos, audioconferences, online learning, special reports, and training handbooks that HCPro has to offer.

Shopping is secure and purchasing is easy with a speedy checkout process.
CERTIFICATE OF ATTENDANCE

attended

“Medical Staff and Hospital Conflicts of Interest: Practical strategies for tackling today’s challenges”

a 60-minute audioconference

Rick Sheff
Chairman and Executive Director
The Greeley Company