

CONFLICT OF INTEREST CODE POLICY

Reference Number	1051
Effective Date	Not Approved Yet
Applies To	All Departments
Attachments/Forms	

I. POLICY STATEMENT:

- A. It is the policy of SVMHS to follow all applicable federal, state, and local laws concerning conflicts of interest, including California Government Code Section 1090, et seq. (regarding government contracts) and the Political Reform Act codified at Government Code Section 81000, et seq., as well as implementing applicable regulations adopted by the Fair Political Practices Commission (FPPC), as each may be amended or supplemented from time to time (“COI Code Requirements”).
- B. It is the policy of SVMHS to ensure that all designated employees, members of the Board of Directors and its committees, other designated individuals, medical staff, volunteers and consultants act in the best interests of SVMHS at all times and do not engage in any activity in which private or personal interests conflict with SVMHS interests. Note that specific rules applicable to members of the Board of Directors, policy-making management employees and medical staff officers are set forth in Health & Safety Code Sections 32110 and 32111. (See Attachment 2).
- C. Pursuant to State law and in furtherance of the purposes of this Code, it is the policy of SVMHS to regularly review and update this Code and to enforce its compliance.

II. PURPOSE:

- A. California's conflict of interest laws are based on the notion that government officials owe paramount loyalty to the public, and that personal or private financial considerations of government officials should not be allowed to enter into governmental decision-making.
- B. This Conflict of Interest Code Policy ("Code") supports the organization’s overall Conflict of Interest Policy, which establishes general principles for the management of conflicts of interest that affect or could affect decisions of individuals associated with Salinas Valley Memorial Healthcare System ("SVMHS"). SVMHS has certain clinics under its license and these clinics, while not operated by SVMHS, adhere to this policy.[RWJ1]

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- C. This Code specifically relates to the Statements of Economic Interest that must be filed annually.
- D. This Code targets both impropriety and the appearance of impropriety involving conflicts of interest in SVMHS decision-making. This Code further aims to eliminate the potential for actual, potential or apparent uses of officials' positions at SVMHS to influence government decisions in which they know or have reason to know they have a financial interest.

III. DEFINITIONS:

- A. The SVMHS "Conflict of Interest Code Policy" is the document adopted by the SVMHS Board of Directors and approved by the Monterey County Board of Supervisors, which identifies officials and employees of, and consultants to SVMHS who make or participate in making decisions that could give rise to actual or apparent financial conflicts of interest. These individuals are required to file a Statement of Economic Interests ("SEI") to disclose financial interests within the categories set forth in the Conflict of Interest Code in accordance with the individuals' positions as specified in Attachment 1.
- B. A "conflict of interest" exists when an individual's financial interests may influence, or be perceived as influencing, the individual's judgment in the performance of duties, or the making of contracts, for SVMHS. For purposes of this Policy, "financial interests" includes, but may not be limited to, a business, commercial or other financial interest, either of the individual, a spouse or (in some cases) a child or other financial dependent of the individual, or from former, existing or prospective business associations. "Conflict of interest," "financial interests" and associated terms are defined and applied in more detail in the State laws and regulations referenced in this Policy.

IV. PROCEDURE:

- A. Conflict of Interest Code Updates
 - 1. Proposed updates to the SVMHS Conflict of Interest Code (Attachment 1) will be submitted to the Monterey County Board of Supervisors at least biennially, pursuant to California State law.
 - 2. SVMHS must receive confirmed approval from the Board of Supervisors or proposed changes from the Board of Supervisors within 6 (six) months of submission. If such confirmation or changes are not received, it is the policy of SVMHS to seek legal counsel to consider potential superior court action to ensure action by the County.
 - 3. The Director of Internal Audit and Compliance (Compliance Officer) is responsible for (a) tracking changes in positions and titles, and

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additions/deletions of positions designated in the Conflict of Interest Code, and (b) ensuring that the Conflict of Interest Code is updated and submitted to the SVMHS Board of Directors for adoption, to the Monterey County Board of Supervisors for review and approval, and to the FPPC whenever appropriate.

B. Disclosure of Financial Interests: Statements of Economic Interests

1. General Requirements

- a. All individuals designated in the SVMHS Conflict of Interest Code, designated consultants, members of the Board and anyone else who manages SVMHS investments (together "Required Filers") must file ~~an original~~ [RWJ2] Statement of Economic Interests ("Form 700" or "SEI"). ~~New employees may learn of this requirement during the orientation. Other individuals may~~ Designated individuals will [RWJ3] be contacted by the Compliance Officer. The Form 700 and user instructions for the Form may be accessed on the FPPC website (<http://www.fppc.ca.gov>).

2. Time of Filing: Late Filing/Non-Compliance

- a. Initial Statements (For Newly Designated Positions and New Consultants). ~~If a new position is created, the individual holding~~ assuming such positions [RWJ4] shall file an initial statement within thirty (30) days after the effective date of the new designation. When a consultant is engaged to perform a role that triggers reporting requirements in accordance with COI Code Requirements, such consultants shall file an initial statement with thirty (30) days of assuming such roles.
- b. Assuming Office/Position Statements. Any persons assuming a designated position in the SVMHS Conflict of Interest Code, or assuming a position as a member of the Board of Directors or otherwise responsible for managing SVMHS investments, shall file an initial statement within thirty (30) days after assuming such positions.
- c. Annual Statements. All Required Filers shall file annual statements covering interests held in the prior calendar year no later than April 1 [RWJ5] of each year, unless that date falls on a Saturday or Sunday, in which case the Statement will be due the next business day.

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- d. Leaving Office/Position Statements. All Required Filers who leave SVMHS service shall file a statement within thirty (30) days after leaving the positions.
 - e. Late Filing. Late statements are subject to SVMHS progressive discipline for failure to follow policy. In addition, Required Filers whose SEIs are not received within 30 (thirty) days of their due dates will be receive written notification that the Statement has not been received and may be referred to the Fair Political Practices Commission for non-compliance enforcement proceedings.
3. Filing Officer Collection, Management and Monitoring of Statements of Economic Interests. The Compliance Officer serves as SVMHS's filing officer for all positions designated in the SVMHS Conflict of Interest Code. The Monterey County Board of Supervisors serves as filing officer for members of the SVMHS Board of Directors and all individuals who are deemed to manage investments of SVMHS. The Compliance Officer will:
- a. Initiate reminders to all required filers, ~~gather all SEIs,~~ [RWJ6] track compliance with filing deadlines and other requirements, facilitate follow-up in case of non-compliance, and report non-compliance to and work with the executive leadership and the Board of Directors to resolve non-compliance.
 - b. Review all SEIs for overall completeness and general accuracy as provided for in guidance from the FPPC for review.
 - c. Handle the filing and forwarding of SEIs in accordance with COI Code Requirements and this Code.
 - d. Review completed SEIs at least annually and as needed for compliance with COI Code Requirements including this Code.
 - e. Advise that individuals with identified financial interests meet with their direct supervisors or the Compliance Officer to review and discuss any steps needed to prevent perceived, potential or actual conflicts of interest.
4. Place of Filing; Disclosure of SEIs. Each SEI shall be filed with SVMHS for handling as follows:
- a. Statements of Board of Directors and any other Individuals who Manage SVMHS Investments. The Compliance Officer shall (i) ~~collect the SEIs of~~ ensure timely filing of SEIs for members of the [RWJ7] Board, the President/Chief Executive Officer and any other individuals who are deemed by SVMHS or the FPPC to manage SVMHS investments, (ii) retain or have access to a copy of each such SEI, and (iii) except for those filed electronically, forward the

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original of each such SEI to the Monterey County Board of Supervisors.

- b. Statements of Other Designated Employees and Consultants. The Compliance Officer shall retain the original or have access to SEIs of all other filers. Except for those forms filed electronically, original SEIs, along with copies of those submitted to the County Board of Supervisors, will be kept in the Compliance Office.
- c. Disclosure of SEIs. Statements of Economic Interest are public documents and are to be made available to any requesting individual, without redaction, in accordance with the Public Records Request Procedure.

C. Reporting of Potential Conflicts as they Arise and Violations of this Policy

1. Upon the first indication of a potential conflict of interest, each individual covered by this Policy must disclose his or her potential conflicts to his or her supervisor and to the Compliance Officer, whether or not the potentially conflicting interest has been reported on an SEI. The supervisor and Compliance Officer shall review the situation and, in consultation with legal counsel, make a determination on the appropriate resolution thereof.
2. Suspected violations of this Policy should be reported to the Compliance Officer for investigation review.

D. Management of Actual, Potential or Apparent Conflicts

1. An actual, potential or apparent conflict of interest may require actions and precautions including but not limited to: (a) disclosure of the conflict of interest; (b) recusal from the decision-making process, including any participation in the matter to which the conflict relates; (c) abstention from voting on the matter to which the conflict relates; (d) walling off a conflicted individual from access to information or discussions relative to the matter to which the conflict relates; and (e) in the case of a Board member having an actual, potential or apparent conflict of interest in a potential contract, abandonment of the contract.
2. A medical staff representative attending a governing body meeting shall recuse himself or herself from participating in the meeting when the governing body is making a decision on a matter where the medical representative has a conflict of interest.

V. **EDUCATION/TRAINING:**

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- A. Education on conflicts of interest is provided through corporate compliance training, department head meetings, departmental staff meetings and to individual staff as they are identified.

VI. **DOCUMENTATION:**

- A. Statements of Economic Interests are maintained by SVMHS as required by COI Code Requirements.
- B. Corporate compliance training records are maintained in the Department of Education and Training and by the Compliance Officer.
- C. Department head training records are maintained in the department head's department
- D. Staff's training records are maintained in the employee's department.
- E. Documentation of conversations with Required Filers, if necessary, will be maintained in the Compliance Office

VII. **REFERENCES:**

- A. California Government Code Sections 1090 et seq., and 81000 et. seq.
- B. Title 2 of the California Code of Regulations, Division 6, Sections 18109 et seq. (FPPC Regulations)
- C. California Health and Safety Code Sections 32110 and 32111

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Attachment 1

CONFLICT OF INTEREST CODE OF THE SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM

The Political Reform Act of 1974 (Government Code sections 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, section 18730 of Title 2 of the California Code of Regulations, which contains the terms of a standard conflict-of-interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the Fair Political Practices Commission may amend the standard code to conform to amendments of the Political Reform Act. Therefore, the terms of section 18730 of title 2 of the California Code of Regulations and any amendments to it duly adopted by the Fair Political Practices Commission, together with the attached appendices designating positions and establishing disclosure categories, are hereby incorporated by reference and together shall constitute the Conflict of Interest Code of the Salinas Valley Memorial Healthcare System (hereafter "Agency").

Individuals holding designated positions shall file their statement of economic interests with the Salinas Valley Memorial Healthcare System, which will make the statements available for public inspection and reproduction pursuant to Government Code section 81008. Upon receipt of the statements for Members of the Board of Directors, ~~and~~ President / Chief Executive Officer, and Chief Financial Officer, the Agency shall make and retain copies, and forward the original statements to the Office of the Clerk of the Board of Supervisors of Monterey County. Statements for all other designated positions shall be retained by the Agency.

Attachments: Appendix 1: Designated Positions

Appendix 2: Disclosure Categories

Adopted as Amended and Restated: November 20, 2014date

By Resolution 2016-08date

By Resolution

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CONFLICT OF INTEREST CODE OF THE SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM APPENDIX A: DESIGNATED POSITIONS

Designated Positions ¹	Assigned Disclosure Category
<u>Assistant Controller</u>	<u>5</u>
<u>Assistant Director of Pharmacy</u>	<u>2</u>
<u>Assistant Director, Facilities Development and Real Property</u>	<u>5</u>
<u>Assistant Director, PFS/Registration</u>	<u>2</u>
<u>Associate Chief Nursing Officer</u>	<u>2</u>
<u>Associate Chief of Staff</u>	<u>2</u>
<u>Chief Administrative Officer, Business Development & Integration/COO SVMC</u>	<u>1</u>
<u>Chief Administrative Officer, Community Wellness</u>	<u>2</u>
<u>Chief Administrative Officer, Patient Experience</u>	<u>2</u>
<u>Chief Biomed Engineer</u>	<u>2</u>
<u>Chief Clinical Officer</u>	<u>2</u>
<u>Chief Engineer</u>	<u>5</u>
<u>Chief Human Resources Officer</u>	<u>2</u>
<u>Chief Information Officer</u>	<u>2</u>
<u>Chief Medical Officer/CEO SVMC</u>	<u>2</u>
<u>Chief Nursing Officer</u>	<u>2</u>
<u>Chief of Staff</u>	<u>2</u>
<u>Chief Operating Officer</u>	<u>2</u>
<u>Chief Philanthropy Officer</u>	<u>6</u>
<u>Chief Strategic Communications Officer</u>	<u>6</u>
<u>Consultant/New Position ²</u>	<u>1</u>
<u>Contracts Administrator</u>	<u>5</u>
<u>Controller</u>	<u>5</u>
<u>Director of Ambulatory Medical Informatics</u>	<u>2</u>

¹ Public officials who manage public investments are not covered by the Conflict of Interest Code because they must file a statement of economic interests pursuant to Government Code section 87200. Therefore, those positions are listed below for information purposes only:

Members of the Board of Directors

President / Chief Executive Officer

Chief Financial Officer

An individual holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200.

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Designated Positions ¹	Assigned Disclosure Category
<u>Director of Case Management</u>	<u>2</u>
<u>Director of Clinic Services</u>	<u>2</u>
<u>Director of Clinical Development</u>	<u>2</u>
<u>Director of Continuum of Care</u>	<u>2</u>
<u>Director of Enterprise Population and Health Management</u>	<u>2</u>
<u>Director of Environmental Services</u>	<u>2</u>
<u>Director of Finance Planning & Decision Support</u>	<u>2</u>
<u>Director of Foundation Operations</u>	<u>6</u>
<u>Director of Government Affairs</u>	<u>2</u>
<u>Director of HIM/Privacy Officer</u>	<u>2</u>
<u>Director of Imaging Services</u>	<u>2</u>
<u>Director of Internal Audit and Compliance</u>	<u>5</u>
<u>Director of Laboratory Services</u>	<u>2</u>
<u>Director of Magnet Program</u>	<u>2</u>
<u>Director of Managed Care Contracting</u>	<u>2</u>
<u>Director of Marketing</u>	<u>6</u>
<u>Director of Materials Management</u>	<u>5</u>
<u>Director of Medical Staff Services</u>	<u>2</u>
<u>Director of Nutrition Services</u>	<u>2</u>
<u>Director of Patient Financial Services and Patient Registration</u>	<u>2</u>
<u>Director of Perioperative Services</u>	<u>2</u>
<u>Director of Pharmacy</u>	<u>2</u>
<u>Director of Public Relations</u>	<u>6</u>
<u>Director of Rehab Services and Wound Care</u>	<u>2</u>
<u>Director of Volunteer and Health Career Services</u>	<u>2</u>
<u>Director of Women's and Children's Services</u>	<u>2</u>
<u>Manager of Payroll</u>	<u>2</u>
<u>Manager of Registration</u>	<u>2</u>
<u>Nursing Director</u>	<u>2</u>
<u>Senior Administrative Director of Cardiovascular, Pulmonary, and Sleep Medicine Services</u>	<u>2</u>
<u>Senior Administrative Director of Facilities Management and Construction</u>	<u>5</u>
<u>Senior Administrative Director of Quality Management</u>	<u>4</u>

<u>Administrative Dir Nutrition & Environmental Svcs</u>	-	<u>2</u>	-	-
<u>-Sr. Administrative Director, Ancillary Svcs.</u>	<u>4</u>			
<u>Assistant Director Cardiology</u>	-	<u>2</u>	-	-
<u>Assistant Director Medical Records</u>	-	-	<u>3</u>	-

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Assistant Director of Respiratory Care & Neurodiag	-	-	3	-
Cardiology Supervisor Clinical	-	-	3	-
Cardiovascular Diagnostic Center Manager	-	-	3	-
Chief Biomed Engineer	-	-	3	-
Chief Financial Officer	1	-	-	-
Chief Medical Officer	1	-	-	-
Chief Nursing Officer	1	-	-	-
Chief of Staff	-	-		4
Chief Operating Officer	1	-	-	-
Clinical Assistant Director NICU	-	-	3	-
Clinical Assistant Director Surgical Suite	-	-	3	-
Clinical Manager	-	-	3	-
DI/Mammography Manager	-	-	3	-
Director Clinical Informatics	-	-	3	-
Director Community Development & CMN	-	-	3	-
Manager Education	-	-	3	-
Director Medical Staff Services	-	-	3	-
Director Physician Integration and Business Development	-	-	3	-
Director of Managed Care	-	-	3	-
Director of Resource Management	-	2	-	-
Director of Community Development & Programs	-	2	-	-
Director of Women's & Children's Services	-	2	-	-
Director Pt Financial Svcs/Pt Registration	1	-	-	-
Director Quality Management Services	-	-	3	-
Director Revenue Integrity & Compliance	-	-	3	-
Employee Health Manager	-	-	3	-
Sr. Admin Dir Nutrition & Environmental Svcs	1	-		-
Sr. Director Plant Ops/Hosp Constr	1	-		-
Foundation Director	-	-	3	-
Director Infection Control	-	-	3	-
Lab Manager	-	-	3	-
Designated Positions	Assigned Disclosure Category			
Chief Biomed Engineer			3	
Chief Engineer			3	
Chief Financial Officer	1			
Chief Medical Officer	1			
Chief Nursing Officer	1			
Chief of Staff				4

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Chief Operating Officer	1			
Chief Strategic Communication Officer	1			
Controller		2		
Director Budget Decision Support			3	
Director Case Management			3	
Director Clinical Informatics			3	
Director Foundation			3	
Director HIM/Privacy Officer			3	
Director Imaging Services			3	
Director Laboratory Services			3	
Director Materials Management			3	
Director Medical Staff Services			3	
Director Managed Care Contracting			3	
Director Marketing & Public Relations			3	
Director Pharmacy			3	
Director Women's & Children's Services			3	
Director Patient Financial Services/Patient Registration			3	
Director Quality Management Services			3	
Director Rehab Services & Wound Care			3	
Director Revenue Integrity & Compliance			3	
Director Surgical Services			3	
Nursing Director			3	
President Central Coast Health Partners				4
Senior Administrative Director Cardiovascular, Pulmonary, and Sleep Medicine Services		2		
Senior Administrative Director Community Wellness & Patient Experience		2		
Senior Administrative Director Human Resources		2		
Senior Administrative Director Nutrition and Environmental Services		2		
Senior Administrative Director Business Development & Integration		2		
Senior Administrative Director Patient Care Services		2		
Senior Administrative Director Quality Management		2		
Senior Administrative Director Compliance/Org Improvement		2		
Senior Administrative Director Plant Ops/Hospital Construction		2		
Senior Administrative Director Information Technology		2		
Consultant/New Position ²		2		

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² Consultants are included in the list of designated positions. For purposes of this Code, "consultant" has the same meaning as set forth in 2 Cal. Code Regs., tit. 2, section 18701(a)(2), as it may be amended from time to time, but which reads as follows as of adoption of this restated and amended Conflict-of-Interest Code:

"Consultant" means an individual who, pursuant to a contract with a state or local government agency:

(A) Makes a governmental decision whether to:

1. Approve a rate, rule, or regulation;
2. Adopt or enforce a law;
3. Issue, deny, suspend, or revoke any permit, license, application, certificate, approval, order, or similar authorization or entitlement;
4. Authorize the agency to enter into, modify, or renew a contract provided it is the type of contract which requires agency approval;
5. Grant agency approval to a contract which requires agency approval and in which the agency is a party or to the specifications for such a contract;
6. Grant agency approval to a plan, design, report, study, or similar item;
7. Adopt, or grant agency approval of, policies, standards, or guidelines for the agency, or for any subdivision thereof; or

(B) Serves in a staff capacity with the agency and in that capacity participates in making a governmental decision as defined in Regulation 18704(a) or (b) or performs the same or substantially all the same duties for the agency that would otherwise be performed by an individual holding a position specified in the agency's Conflict of Interest Code.

Consultants to, and new positions of, the Salinas Valley Memorial Healthcare System shall be subject to disclosure under Category 1, subject to the following limitation:

The President / Chief Executive Officer may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to comply with the disclosure requirements of Category 1. In such cases, the President / Chief Executive Officer may designate a different disclosure requirement. Such determination must be made in writing and shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of the consultant's or new position's disclosure requirements. Such determination by the President / Chief Executive Officer is a public record and shall be retained for public inspection in the same manner and location as the Agency's Conflict of Interest Code.

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CONFLICT OF INTEREST CODE OF THE SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM

APPENDIX B: DISCLOSURE CATEGORIES

General Provisions Applicable to All Categories

When an individual who holds a designated position is required to disclose investments and sources of income, he or she shall disclose investments in business entities and sources of income which do business in the jurisdiction, plan to do business in the jurisdiction, or have done business in the jurisdiction within the past two years. In addition to other activities, a business entity is doing business within the jurisdiction if it owns real property within the jurisdiction.

When an individual who holds a designated position is required to disclose sources of income, he or she shall include gifts received from donors located inside as well as outside the jurisdiction.

When an individual who holds a designated position is required to disclose interests in real property, he or she shall disclose real property if it is located within the jurisdiction, or not more than two miles outside the boundaries of the jurisdiction, or within two miles of any land owned or used by Agency.

When an individual who holds a designated position is required to disclose business positions, he or she shall disclose positions in business entities that do business in the jurisdiction, plan to do business in the jurisdiction, or have done business in the jurisdiction within the past two years.

For purposes of this Conflict of Interest Code, the jurisdiction of the Salinas Valley Memorial Healthcare System is Monterey County. Salinas Valley Memorial Healthcare System operates entirely within the geographical boundaries of Monterey County.

Category 1

A designated position in this category must report all investments, business positions, interests in real property, and sources of income, including gifts, loans, and travel payments.

Category 2

A designated position in this category must report all investments, business positions, and sources of income, including gifts, loans, and travel payments.

Category 3

A designated position in this category must report all interests in real property as defined by the instructions to the Statement of Economic Interest form.

Category 4

A designated position in this category must report all investments, business positions and income, including gifts, loans, and travel payments, from sources that are subject to the regulatory, permit or licensing authority of, or have an application for a license or permit pending before, the Agency.

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Category 5

A designated position in this category must report all investments, business positions and income, including gifts, loans, and travel payments, from sources which are of the type to supply materials, products, supplies, commodities, services, machinery, vehicles, or equipment utilized by the Agency.

Category 6

A designated position in this category must report all investments, business positions and income, including gifts, loans, and travel payments, from sources which are of the type to receive grants or other monies from or through the Agency.

~~A designated position in this category must report all investments, business positions and income, including gifts, loans, and travel payments, from sources which are of the type to supply materials, products, supplies, commodities, services, machinery, vehicles, or equipment utilized by the Agency.~~

Category 4

~~A designated position in this category must report all investments, business positions and income, including gifts, loans, and travel payments, from sources which are of the type to receive grants or other monies from or through the Agency.~~

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Attachment 2

Health and Safety Code Sections 32110 and 32111

32110. (a) Except as provided in subdivision (d), no person who is a director, policymaking management employee, or medical staff officer of a hospital owned or operated by a district shall do either of the following:

(1) Possess any ownership interest in any other hospital serving the same area as that served by the district hospital of which the person is a director, policymaking management employee, or medical staff officer.

(2) Be a director, policymaking management employee, or medical staff officer of any hospital serving the same area as the area served by the district hospital.

(b) For purposes of this section, a hospital shall be considered to serve the same area as a district hospital when more than 5 percent of the hospital's patient admissions are residents of the district.

(c) For purposes of this section, the possession of an ownership interest, including stocks, bonds, or other securities by the spouse or minor children or any person shall be deemed to be the possession or interest of the person.

(d) No person shall serve concurrently as a director or policymaking management employee of a district and as a director or policymaking management employee of any other hospital serving the same area as the district, unless the boards of directors of the district and the hospital have determined that the situation will further joint planning, efficient delivery of health care services, and the best interest of the areas served by their respective hospitals, or unless the district and the hospital are affiliated under common ownership, lease, or any combination thereof.

(e) Any candidate who elects to run for the office of member of the board of directors of a district, and who owns stock in, or who works for any health care facility that does not serve the same area served by the district in which the office is sought, shall disclose on the ballot his or her occupation and place of employment.

32111. (a) A member of a health care district's medical or allied health professional staff who is an officer of the district shall not be deemed to be "financially interested," for purposes of Section 1090 of the Government Code, in any of the contracts set forth in subdivision (b) made by any district body or board of which the officer is a member if all of the following conditions are satisfied:

(1) The officer abstains from any participation in the making of the contract.

(2) The officer's relationship to the contract is disclosed to the body or board and noted in its official records.

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(3) If the requirements of paragraphs (1) and (2) are satisfied, the body or board does both of the following, without any participation by the officer:

(A) Finds that the contract is fair to the district and in its best interest.

(B) Authorizes the contract in good faith.

(b) Subdivision (a) shall apply to the following contracts:

(1) A contract between the district and the officer for the officer to provide professional services to the district's patients, employees, or medical staff members and their respective dependents, provided that similar contracts exist with other staff members and the amounts payable under the contract are no greater than the amounts payable under similar contracts covering the same or similar services.

(2) A contract to provide services to covered persons between the district and any insurance company, health care service plan, employer, or other entity that provides health care coverage, and that also has a contract with the officer to provide professional services to its covered persons.

(3) A contract in which the district and the officer are both parties if other members of the district's medical or allied health professional staff are also parties, directly or through their professional corporations or other practice entities, provided the officer is offered terms no more favorable than those offered any other party who is a member of the district's medical or allied health professional staff.

(c) This section does not permit an otherwise prohibited individual to be a member of the board of directors of a district, including, but not limited to, individuals described in Section 32110 of this code or in Section 53227 of the Government Code. Nothing in this section shall authorize a contract that would otherwise be prohibited by Section 2400 of the Business and Professions Code.

(d) For purposes of this section, a contract entered into by a professional corporation or other practice entity in which the officer has an interest shall be deemed the same as a contract entered into by the officer directly.