

**CONFLICT OF INTEREST CODE
OF THE
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

The Political Reform Act of 1974 (Government Code section 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 that 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 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 Agency, 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, President / Chief Executive Officer, and Chief Financial Officer, the Agency shall make and retain copies and forward the original of the statements to the code reviewing body. Statements for all other designated positions shall be retained by the Agency.

Attachments: Appendix A: Designated Positions
Appendix B: Disclosure Categories
[Appendix C: Health and Safety Code Sections 32110 & 32111](#)

Adopted: [DATE]
Amended: [DATE]

APPENDIX A: DESIGNATED POSITIONS

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

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

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 18700.3(a), as follows:

Designated Positions ¹	Assigned Disclosure Category
Contracts Administrator	5
Controller	5
Chief Operating Officer SVMC/Director of Business Development	<u>1</u>
Director of Ambulatory Medical Informatics	<u>2</u>
Director of Accreditation & Regulatory Compliance	<u>2</u>
Director of Case Management	2
Director of Clinic Services	2
Director of Clinical Development	2
Director of Clinical Operations	<u>2</u>
Director of Continuum of Care	2
Director of Critical Care & Emergency Department	<u>2</u>
Director of Education & Clinical Informatics	<u>3</u>

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

- (1) Makes a governmental decision whether to:
 - (A) Approve a rate, rule, or regulation;
 - (B) Adopt or enforce a law;
 - (C) Issue, deny, suspend, or revoke any permit, license, application, certificate, approval, order, or similar authorization or entitlement;
 - (D) Authorize the agency to enter into, modify, or renew a contract provided it is the type of contract that requires agency approval;
 - (E) Grant agency approval to a contract that requires agency approval and to which the agency is a party, or to the specifications for such a contract;
 - (F) Grant agency approval to a plan, design, report, study, or similar item;
 - (G) Adopt, or grant agency approval of, policies, standards, or guidelines for the agency, or for any subdivision thereof; or
- (2) Serves in a staff capacity with the agency and in that capacity participates in making a governmental decision as defined in Regulation 18704(a) and (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 under Section 87302."

Consultants to 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, 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 duties and, based upon that description, a statement of the extent of the consultant'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.

Designated Positions ¹	Assigned Disclosure Category
Director of Enterprise Informatics	<u>2</u>
Director of Enterprise Population and Health Management	2
Director of Environmental Services	2
Director of Finance Planning & Decision Support	2
Director of Foundation Operations	<u>6</u>
Director of Government Affairs	2
Director of HIM/Privacy Officer	2
Director of Imaging Services	2
Director of Internal Audit and Compliance	5
Director of Laboratory Services	2
Director of Magnet Program	2
Director of Managed Care Contracting	2
Director of Marketing & Communications	6
Director of Materials Management	5
Director of Medical Staff Services	2
Director of Nutrition Services	2
Director of Patient Financial Services and Patient Registration	2
Director of Perioperative Services	2
Director of Pharmacy	2
Director of Public Relations	6
Director of Outpatient Infusion & Wound Center Rehab Services and Wound Care	2
Director of Strategic Development	<u>6</u>
Director of Volunteer and Health Career Services	2
Director of Women's and Children's Services	2
Manager of Payroll	2
Manager of Registration	2
Nursing Director	2

Designated Positions ¹	Assigned Disclosure Category
Senior Administrative Director of Cardiovascular, Pulmonary, and Sleep Medicine Services	2
Senior Administrative Director of Facilities Management and Construction	5
Senior Administrative Director, Quality and Patient Safety	4

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 the type of real property described below 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 position, 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.

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.

APPENDIX C: HEALTH AND SAFETY CODE SECTIONS 32110 & 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.

(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.