

**THE WINIFRED MASTERSON BURKE  
REHABILITATION HOSPITAL AND SUBSIDIARIES**

**Conflict of Interest Policy**

**Purpose and Application**

The purpose of this policy is to establish a framework to ensure that the business conducted by The Winifred Masterson Burke Rehabilitation Hospital and its subsidiaries, the Burke Foundation, Inc. and the Burke Medical Research Institute (the Hospital), is free from the possible influence of conflicts of interest. This policy applies to each member of the Hospital's Boards of Directors, as well as each member of senior administration<sup>1</sup>, Medical Staff and employees of the Purchasing Department, ("Interested Persons").

The purpose of this policy is to provide general direction as to what is considered a conflict of interest. An Interested Person may seek further clarification on issues related to conflicts of interest and acceptable standards of business and personal behavior, if necessary, from the Compliance Officer or President of the Board of Directors.

It is the policy of the Hospital to conduct its affairs in strict compliance with the letter and spirit of the law and to adhere to the highest principles of business ethics.

It is thus expected that Interested Persons shall not support any interest or engage in any activity or employment that may constitute a conflict of interest or give the appearance of being in conflict with the above-stated principles or with the interests of the Hospital.

A conflict of interest is any situation in which an Interested Person is in a position to influence a decision that may result in personal gain for that Interested Person, or for a member of his/her family<sup>2</sup>, or otherwise gain personally from the Hospital's business dealings. Situations in which a conflict of interest might exist include, but are not limited to: those situations where an Interested Person, directly or indirectly, has a financial interest in, receives any material benefit from, or engages in activity on behalf of anyone (a) from whom the Hospital obtains goods or services, (b) to whom the Hospital sells goods or services, or (c) with whom the Hospital does business or competes, regardless of whether the Interested Person acts in good faith or in bad faith.

Personal gain may result, not only from situations where an Interested Person or family member has a significant ownership interest in an entity with which the Hospital does business, but may also occur if an Interested Person receives a bribe, kickback, substantial gift or special consideration as a result of a transaction or business dealing involving the Hospital.

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<sup>1</sup> Anyone at the level of Department Head, Associate Director, Director, Administrator or Senior Administrator is considered "senior administration" and is, therefore, covered by this policy.

<sup>2</sup> For the purposes of this policy, "immediate family" is defined as spouse or domestic partner and dependent children.

The following are examples of potential conflicts of interest, which Interested Persons shall avoid:

- Revealing confidential information to outsiders or misusing confidential Hospital information, for the benefit of anyone outside the Hospital. The patient and business information of the Hospital is the property of the Hospital, and should not be given to anyone outside the Hospital or used for any purpose, except to benefit the Hospital or its patients.
- Accepting or offering gifts, entertainment, favors or payments valued in excess of \$100 to/from a vendor or service provider which may be deemed to constitute undue influence or otherwise be improper to the Hospital.
- Investing or holding an ownership interest or a directorship in a supplier, customer, or competing organizations.
- Borrowing from or lending money to any customer or supplier.
- Taking a business opportunity of the Hospital to personally benefit himself or herself or any third party.

#### **Disclosure and Procedures**

No "presumption of wrongdoing" is created by the mere existence of a relationship with an outside firm. However, if an Interested Person has such a relationship, or has an influence or interest in any transaction involving the Hospital, it is imperative that the situation be disclosed to an officer of the Hospital.

Each Interested Person shall complete a conflict of interest questionnaire annually, disclosing any situation that might be a conflict of interest.

The completed questionnaire shall be reviewed by the Executive Committee of the Board of Directors of the Hospital (the Executive Committee) and filed at the Hospital in accordance with the timetable determined by the Executive Committee, or within a month from the time a Board member is appointed to the Board, or key administration personnel is hired.

Thereafter, each Interested Person shall promptly advise the President of the Board of Directors of any changes in their status, or that of their family, which would modify the statements contained in the annual questionnaire.

The Executive Committee of the Board will investigate each reported situation and will determine, in its judgment, whether a conflict of interest exists, might exist or clearly does not exist. The Executive Committee may order the employee or Board Member to terminate the conflicting relationship. They may also, in their discretion, direct that disciplinary action be taken against the employee. Violations of this policy may result in immediate discharge. The Executive Committee of the Board shall take whatever action it believes to be appropriate with respect to each reported situation.

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(Please use additional pages, if necessary.)

Question 1: Do you or, to your knowledge any member of your family, have a financial interest in a vendor that has or seeks to enter into a transaction with the Hospital? (Report only if your combined interest is more than 5%). If "YES", please explain:

Question 2: Do you or, to your knowledge any member of your family, hold any position as a member, director, officer, employee of or consultant for a vendor that has or seeks to enter into a transaction with the Hospital? If "YES", please explain:

Question 3: Have you or, to your knowledge any member of your family, received, directly or indirectly, any gift, entertainment, favor or payment valued at more than \$100.00 during the past year from any vendor that has or seeks to enter into a transaction with the Hospital? If "YES", please explain:

**Conflict of Interest Policy---Annual Statement – 2009 / 2010 (continued)**

Question 4: Have you or, to your knowledge any member of your family, engaged in any transaction with the Hospital during the past year? (Do not report any compensation received under the Hospital's written employee benefit plans or arrangements, any reimbursement of expenses made in conformity with the Hospital's reimbursement procedures or any health care services received from the Hospital on customary terms.) If "YES", please explain:

Question 5: Are you a member of the governing board, an officer, an employee, or consultant to any health care institution other than the Hospital? If "YES", please explain:

**Conflict of Interest Policy---Annual Statement – 2009 / 2010 (continued)**

**ACKNOWLEDGEMENT**

I acknowledge that I have received a copy of the Hospital's Conflict of Interest Policy, which I have read and understood. I have abided and will abide by its provisions.

I represent that the information provided in this statement reflects any and all activities and interests that I, or members of my immediate family, have or have taken part in, that when considered in conjunction with my relation to the Hospital, might possibly constitute a conflict of interest.

I further understand that should any doubt arise in my mind as to whether any proposed interest, act or transaction is in contravention of such policies, I will report the matter promptly to the Chairperson of the Board of Directors.

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(Signature)

«FirstName» «LastName»

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(Date)