

Maine Health Data Organization Conflict of Interest Policy and Bylaw

Article I **Purpose**

The Maine Health Data Organization (“MHDO”) is an independent executive agency of the state of Maine, created and enabled by Maine statute. 22 Maine Revised Statutes (“MRS”) Chapter 1683. The Purpose of MHDO are to create and maintain a useful, objective, reliable and comprehensive health information database that is used to improve the health of Maine citizens and to issue reports required by law. MHDO operates under the supervision of a Board of Directors. 22 MRS §8703.

The purpose of this conflict of interest policy is to protect the interests of the MHDO when it is contemplating entering into an arrangement or agreement, and to ensure that the MHDO is not unduly controlled or influenced by any individual or entity that may make or receive payments for health care services based on MHDO’s analysis. This policy is intended to explain and supplement but not replace any applicable state and federal laws governing conflict of interest applicable to state employees, boards of independent state agencies, and state licensed professional professionals or entities.

Article II-MHDO

Employees of the MHDO are executive employees of the state, as are several members of the MHDO Board of Directors. 5 MRS §18(1)(B). As such, they are prohibited by law from participating in their official capacity in any preceding, agreement or matter in which any of the following has a direct and substantial financial interest: they or their family, partner, potential employer, or an organization in which they have a direct and substantial financial interest. 5 MRS §18(2). Executive employees must endeavor to avoid the appearance of a conflict of interest by disclosure or by abstention. 5 MRS §18(7). Executive employees may not have any direct or indirect financial interest in, or receive or be eligible for, any benefit from any contract made on behalf of the state when the MHDO is a party to the contract. 5 MRS §18-A(7) . Any contract that violates this law is void.

Any employee of the MHDO shall disclose any such conflict of interest to the Executive Director of the MHDO, and the Executive Director of the MHDO shall report any such conflict of interest on their own part to the MHDO Board. 5 MRS §18(8).

While the MHDO is supervised by a Board of Directors, the Board does not control the compensation of employees of the MHDO. Employees of MHDO shall be made aware of this policy but, because they are bound by state conflict of interest laws shall not have to sign the certification in App. A-1.

Article III-MHDO Board of Directors

The MHDO Board consists of up to 20 voting members, and has one non-voting member. State employees who are voting members are bound by the above cited laws. Voting members of the Board, who are not state employees, are not bound by these conflict of interest laws. These board members are required by law to represent a specific interest, such as

consumers, employers, payers and providers. Payer and provider Board Members are only indirectly affected by the results of MHDO's data analyses generally on the marketplace. In addition all Board Members take an oath to discharge their duties according to the Constitution and laws of Maine. Board Members who are not covered by the state's conflict laws shall be covered by this policy, and shall sign a certification. (App.A-1).

Potential Conflicts of Interest and Rules

1. A Board Member has a potential conflict if the Board member has a financial interest, directly or indirectly, through business, investment, or family member including:
 - a. An ownership or investment interest in any entity with which the Organization has an arrangement or agreement,
 - b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has an arrangement or agreement (compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial).
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating an arrangement or agreement.
 - d. Receives a direct benefit financially or otherwise from MHDO's work or analysis of data.
2. All employees of MHDO, members of the MHDO Board of Directors (including state employee members), and members of subcommittees who are not directors, are restricted from participating in the award or administration of a contract, agreement, or award, if a real or apparent conflict of interest would be involved.

Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, a Board Member must disclose the existence of the financial interest to the directors and members of committees with governing board delegated powers considering the proposed arrangement, agreement, or analyses.

2. Procedures for Addressing the Conflict of Interest

- a. A person, who must disclose the existence of a financial interest, must abstain from voting on or evaluation of any affected arrangement or agreement, or participating in any affected analyses.
- b. Any affected arrangement or agreement, involving items of not insubstantial value shall be subject to all state of Maine purchasing and agreement laws, including a request for proposals or a "sole source" justification process with the Bureau of Purchases. Any such agreement is a public record for purposes of Maine's Freedom of Access laws.

3. Violations of the Conflicts of Interest Policy

- a. If the Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose, to the Board.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board determines the member has failed to disclose an

actual or possible conflict of interest, it shall take appropriate corrective action which may include voiding contracts and re-doing analyses.

Article IV
Records of Proceedings

All proceedings of the MHDO and its subcommittees are public meetings and subject to Maine's Freedom of Access Laws. The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have an actual or possible conflict of interest, the nature of the financial interest, and any action taken by the board.
- b. The names of the persons who were present for discussions.

Article V
Annual Statements

Each MHDO director shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflict of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the MHDO is an independent agency of the State of Maine whose statutory mandate is to create and maintain a useful, objective, reliable and comprehensive health information database that is used to improve the health of Maine citizens and to issue reports as provided in statute. 22 MRS §§8703(1) & 8712.

Appendix A-1: Conflict of Interest Policy Certification

Conflict of Interest Policy Certification

I, _____, acknowledge that:

- (1) I have received a copy of the MHDO Conflict of Interest Policy, attached;
- (2) I have read and understand the MHDO Conflict of Interest Policy;
- (3) I agree to comply with the provisions of the policy; and
- (4) I understand that the MHDO is an independent agency of the State of Maine whose statutory mandate is to create and maintain a useful, objective, reliable and comprehensive health information database that is used to improve the health of Maine citizens and to issue reports as provided in statute. 22 MRS §§8703(1) & 8712.

I do ____ do not ____ have a financial interest as described in the policy.

If you do, please provide all material facts:

Dated: _____