

Title: Conflicts of Interest for Covered Persons	
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Approved by: Administrative Policy Committee, Banner Health - Board of Directors, PolicyTech Administrators	
Discrete Operating Unit/Facility: Banner Baywood Medical Center Banner Behavioral Health Hospital Banner Boswell Medical Center Banner Casa Grande Medical Center Banner Churchill Community Hospital Banner Del E Webb Medical Center Banner Desert Medical Center Banner Estrella Medical Center Banner Fort Collins Medical Center Banner Gateway Medical Center Banner Goldfield Medical Center Banner Heart Hospital Banner Ironwood Medical Center Banner Lassen Medical Center Banner McKee Medical Center Banner North Colorado Medical Center Banner Ocotillo Medical Center Banner Payson Medical Center Banner Thunderbird Medical Center Banner--University Medical Center Phoenix Banner--University Medical Center South Banner--University Medical Center Tucson East Morgan County Hospital Ogallala Community Hospital Page Hospital Platte County Hospital Sterling Regional Medical Center Torrington Community Hospital Washakie Medical Center Wyoming Medical Center	Ambulatory (Outpatient) Services Banner Health Clinics Banner Imaging Services Banner Imaging Services Colorado Banner MD Anderson Cancer Center Banner Urgent Care Services Banner--University Medical Group Rural Health Clinics Banner Alzheimer's Foundation Banner Corporate Banner Health Foundation Banner Pharmacy Services Banner Plans & Networks Banner Health Network Banner Health Plans Banner Network Colorado Banner Plan Administration Banner Research

I. Purpose/Population:

- A. **Purpose:** To ensure identification and resolution of circumstances in which a Covered Person (as defined below) may find themselves giving rise to an actual or potential Conflict of Interest (as defined below), to protect Banner's interest in such situations, and to provide adequate disclosure and resolution mechanisms. This Policy also helps protect Banner's interests in transactions or other arrangements that might benefit the private interest of a Covered Person. This Policy is intended to supplement, but not replace, any applicable laws governing conflicts of interest.
- B. **Population:** All Covered Persons.

II. Definitions/Interpretations:

- A. **Banner Entity:** Banner Health and any other entity that is controlled by, or under common control with, Banner Health. The term "control" (including "controlled by" and "under

common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract, or otherwise.

- B. Business Transaction: A transaction or other arrangement between a Banner Entity and a non-Banner entity or individual.
- C. Conflict of Interest: A Conflict of Interest exists when it is determined under this Policy that a Covered Person's Interest: (i) interferes or competes with a Banner Entity interest; (ii) reduces the likelihood that such Covered Person's duties to a Banner Entity can be exercised in the best interest of the Banner Entity; or (iii) divides a Covered Person's loyalties to a Banner Entity.
- D. Conflict Management Plan: A plan established under this Policy to mitigate or manage a Covered Person's actual or potential Conflict of Interest.
- E. Covered Person: For Banner Health, a Covered Person is a member of the governing board, an officer, executive vice-president, senior vice-president, division president, the Chief Ethics & Compliance Officer ("CECO"), or other key employee of Banner Health. For all other Banner Entities, a Covered Person is a member of the governing board, an officer, or other key employee of the respective Banner Entity. The CECO shall notify Employees who are deemed key employees.
- F. Interest(s): A Covered Person has an Interest in one or more of the following circumstances:
 - 1. Financial Interest: When a Covered Person or Related Person has, directly or indirectly:
 - a. An ownership or investment interest in, or compensation arrangement with, any entity with which a Banner Entity does business (or is negotiating a Business Transaction); or
 - b. Any ownership interest, investment interest, or compensation arrangement that could interfere with the Covered Person's professional judgment, objectivity, or loyalty to a Banner Entity.

Financial Interest does not include ownership of less than 5% of the outstanding stock of a publicly held company or de minimis consideration.
 - 2. Other Interest: When a Covered Person or Related Person serves as a compensated or uncompensated officer, director, trustee, advisor, partner, associate, employee, personal or legal representative, receiver, guardian, custodian, or agent of any entity: (i) with which a Banner Entity does business (or is negotiating a Business Transaction); or (ii) that competes with a Banner Entity with respect to services provided or procured by the Banner Entity or for charitable contributions or donations.
- G. Related Person:
 - 1. A Covered Person's: (i) spouse or domestic partner (or their parent or sibling); (ii) parent/ancestor; (iii) brother or sister (whether whole or half); and (iv) child (including grandchild and great-grandchild) whether natural or adopted. The term also includes any person who resides in the same household of the Covered Person;

2. A trust or estate of which an individual specified in subdivision II.G.1 is a substantial beneficiary; and
3. A trust, estate, incompetent person, conservatee or minor for which the Covered Person is a fiduciary.

III. Policy:

A. Basic Policy

1. Covered Persons shall exercise loyalty by acting in the best interests of all Banner Entities and shall act in good faith in all transactions involving a Banner Entity. Covered Persons shall not use their position, or knowledge gained through their relationship, with a Banner Entity for personal advantage or financial gain. Therefore:
 - a. Covered Persons shall disclose all Interests in accordance with Section IV.A. of this Policy, including those of any Related Person (to the extent they are aware of such Interests without being required to make special inquiry).
 - b. If Banner establishes a Conflict Management Plan under this Policy, the applicable Covered Person shall comply with such Plan.
 - c. No Covered Person shall knowingly obtain an Interest in a non-Banner Entity in which a Banner Entity has or is considering an investment (a "Co-Investment") without prior approval in accordance with Sections IV.D and IV.E of this Policy. If a Covered Person: (i) has a Co-Investment upon hire, appointment, or prior to the Banner Entity's investment; or (ii) becomes aware of such Covered Person's or their Related Party's Co-Investment, the Covered Person must promptly disclose all relevant facts to the CECO for resolution in accordance with Sections IV.A, IV.D and IV.E of this Policy.
 - d. No Covered Person shall cause or otherwise encourage a Banner Entity to donate to an entity in which such Covered Person has an Interest without the advance approval of the CECO.
2. Special Provisions for Employed Covered Persons. Covered Persons who are employed by a Banner Entity ("Employed Covered Persons") have additional obligations to Banner. Therefore:
 - a. No Employed Covered Person shall obtain an Interest unless they have received pre-approval by the governing board of the respective Banner Entity in accordance with Sections IV.D and IV.E of this Policy.
 - i. As part of the approval process, consideration shall be given to whether the Interest may interfere with scheduled Banner Entity work, impair the Employed Covered Person's ability to perform their employment duties, result in adverse publicity, or present a Conflict of Interest.
 - ii. Employed Covered Persons must use personal time off for any time spent related to an Interest, unless otherwise specified in the requisite approval.

- b. Notwithstanding the above, an Employed Covered Person may engage in a directorship, committee, or related service for a non-Banner Entity at the request, and on behalf, of a Banner Entity without prior approval under this Policy, so long as the activity is uncompensated, the Employed Covered Person obtains approval from their supervisor, and the CECO is notified prior to commencement of such activity.

3. Special Provisions Related to Business Transactions

- a. No Banner Entity shall enter into, or continue in, a Business Transaction in which a Covered Person holds an Interest unless specific authorization is obtained in accordance with Sections IV.D and IV.E of this Policy.
- b. No Covered Person shall participate on behalf of any Banner Entity in business or purchasing decisions, or participate in relationship management, regarding any Business Transaction in which such Covered Person holds (or is contemplating acquiring) an Interest unless specific authorization is obtained in accordance with Sections IV.D and IV.E of this Policy.

B. Administration

1. The Audit Committee of the Board of Directors of Banner Health (“Audit Committee”) shall be responsible for oversight of this Policy. The CECO shall implement procedures to assist in the administration of this Policy.
2. Members of the Banner Health Legal Department and Ethics & Compliance Department are available to advise as to implementation of this Policy and its effect upon individual activities and Business Transactions.

IV. Procedure/Interventions:

A. Procedures for Disclosure of Interests

1. Covered Persons shall disclose in writing all material facts related to their Interests to the CECO:
 - a. Upon hire or appointment;
 - b. Prior to entering into a Co-Investment;
 - c. Within 30 days of: (i) identifying that an existing Interest may give rise to an actual or potential Conflict of Interest; or (ii) becoming aware of material changes with respect to matters previously disclosed;
 - d. During the annual survey process set forth under Section IV.A.3 below; and
 - e. If requested by the CECO.
2. Employed Covered Persons shall also disclose in writing all material facts related to their Interests to the CECO prior to obtaining an Interest.
3. Covered Persons shall participate in the annual survey process conducted by the CECO and affirm that they:

- a. Read and understand this Policy;
- b. Agree to comply with this Policy;
- c. Understand that Banner Health and certain other Banner Entities are charitable organizations and, to maintain federal tax exemption, must engage exclusively in activities which accomplish one or more of their tax-exempt purposes;
- d. Responded accurately and completely to all questions in such survey; and
- e. Agree to notify the CECO promptly of any material changes to their disclosure.

B. Procedures for Disclosure of Business Transactions

1. Covered Persons shall promptly notify the CECO in writing if they become aware of any current or proposed Business Transaction in which they or another Covered Person holds an Interest.

C. Procedures for Follow-up on Disclosures

1. The CECO shall:
 - a. Review the results of the annual survey and all disclosures related to Covered Persons for Banner Health ("Banner Health Covered Persons") with the Chief Executive Officer of Banner Health and with the Audit Committee for a determination in accordance with Section IV.D; and
 - b. Review the disclosures related to all other Covered Persons with the governing board of the applicable Banner Entity (or their delegate) for a determination in accordance with Section IV.E.
2. Approvals provided under this Policy may be revised or rescinded by the respective approval body if the underlying facts or circumstances change, or for risk management purposes.

D. Procedures for Banner Health

1. The Audit Committee (excluding any interested member) shall determine whether a Conflict of Interest exists for a: (a) Banner Health Covered Person; (b) Banner Health Business Transaction; and (c) Business Transaction for any other Banner Entity if the Interest is held by a Banner Health Covered Person.
2. If the Audit Committee determines that a Conflict of Interest does not exist, it may grant approval (subject to all other necessary supervisory and corporate approvals).
3. If the Audit Committee determines that a Conflict of Interest does exist, it may grant approval if it further determines that:
 - a. With respect to a Business Transaction: (i) the transaction is in Banner Health's best interest, for its own benefit, and fair and reasonable to Banner Health; and (ii) the

Conflict of Interest may be appropriately managed through a Conflict Management Plan.

- b. With respect to an Interest that does not relate to a Business Transaction, the Conflict of Interest may be appropriately managed through a Conflict Management Plan.
4. The Covered Person may make a request to present at the Audit Committee meeting, and if granted, shall leave during the related discussion and vote so that they do not play any part in the deliberations or vote. The Audit Committee Chair may appoint a disinterested person or committee to investigate alternatives to the disclosed matter.
5. The Audit Committee Chair may make the determination under this Section on an interim basis between regularly scheduled Audit Committee meetings if the Chair determines that the matter disclosed presents minimal risk and is subject to cancellation without penalty or premium if the Chair's decision is not ratified by the Audit Committee at its next regularly scheduled meeting.
6. Notwithstanding the foregoing, an Interest that relates to compensated service as a director for another organization by the Chief Executive Officer or the President of Banner Health is subject to approval of the Governance and Nominating Committee of the Board of Directors of Banner Health after receiving a recommendation of the Audit Committee as to: (a) whether such service would create an actual or potential Conflict of Interest (or the appearance of such a conflict); (b) whether any such conflict can be effectively managed; and (c) if so, the appropriate terms and conditions of the Conflict Management Plan.

E. Procedures for Banner Entities Other than Banner Health

1. The governing board of each Banner Entity (or their delegate) shall determine whether a Conflict of Interest exists for either a: (a) Covered Person for the respective Banner Entity; or (b) Business Transaction for the respective Banner Entity; provided, however, that if the Business Transaction involves Banner Health or an Interest held by a Banner Health Covered Person, the Audit Committee shall be responsible for making the determination pursuant to the procedures set forth in Section IV.D.
2. If the Banner Entity governing board (or its delegate) determines that a Conflict of Interest does not exist, it may grant approval (subject to all other necessary supervisory and corporate approval).
3. If the Banner Entity governing board (or its delegate) determines that a Conflict of Interest does exist, it may grant approval if it determines the following:
 - a. With respect to a Business Transaction: (i) the transaction is in the Banner Entity's best interest, for its own benefit, and fair and reasonable to the Banner Entity; and (ii) the Conflict of Interest may be appropriately managed through a Conflict Management Plan.
 - b. With respect to an Interest that does not relate to a Business Transaction, the Conflict of Interest may be appropriately managed through a Conflict Management Plan.

F. Record of Proceedings

1. The minutes of the proceedings under this Section IV shall contain:
 - a. The name of the person who disclosed the Interest, the nature of the Interest, any action taken to determine whether a Conflict of Interest was present, and the decisions and determinations with respect to the disclosed matter; and
 - b. The names of the persons who were present for discussions and votes, the content of the discussion, including any alternatives, and a record of any votes taken.

G. Policy Violations

1. Possible Policy violations shall be referred to the CECO for investigation, who shall report the findings of such investigation to the respective administrator/supervisor, senior leader, or governing board or committee, as appropriate.

V. Procedural Documentation:

- A. Conflict of Interest Disclosure Survey for Employed Covered Persons – Online at <https://forms.office.com/r/PNK2WFF02S>
- B. Conflict of Interest Disclosure Survey for Non-Employed Covered Persons – Online at <https://forms.office.com/r/vWcqNRq2gx>

VI. Additional Information:

- A. N/A

VII. References:

- A. N/A

VIII. Other Related Policies/Procedures:

- A. Policy: [Compliance: Acceptance of Items from Outside Business Associates](#) (#256)
- B. Policy: [Compliance: Business Courtesies to Physicians and Immediate Family Members](#) (#190)
- C. Policy: [Relationships with Post-Acute Services Providers](#) (#920)
- D. Policy: [Standards for Determining Independence of Members of Board of Directors](#) (#742)
- E. Policy: [Research Conflict of Interest - Disclosure, Review and Management](#) (#1362)
- F. Policy: [Research Financial Conflict of Interest Relating to PHS Grants, Cooperative Agreements and Contracts](#) (#1364)
- G. Policy: [Conflicts of Interest for Team Members](#) (#8150)

IX. Keywords and Keyword Phrases:

- A. Board Member
- B. Business Transaction
- C. Competitive Activity
- D. Conflicts of Interest
- E. Conflict Management Plan
- F. Covered Person
- G. Disclosure
- H. Financial Interest
- I. Related Person

J. Vendor

X. Appendix:

A. Examples of Potential Conflicts of Interest

Appendix A – Examples of Potential Conflicts of Interest

The following are examples of situations or circumstances which have the potential to create a Conflict of Interest for a Covered Person:

1. A Co-Investment in a non-Banner Entity in which a Banner Entity has or is considering an investment.
2. Any financial arrangement with an entity that is an actual or potential purchaser from, supplier or vendor to, or a competitor of, a Banner Entity.
3. Membership on the board of directors of an actual or potential purchaser from, supplier or vendor to, or a competitor of, a Banner Entity.
4. Introduction or other access to Banner Entity personnel given to an actual or potential purchaser from, or supplier or vendor to, the Banner Entity provided or facilitated by a Covered Person who holds an Interest in such purchaser, supplier or vendor.
5. Outside employment or a business interest that could benefit from involvement with a Banner Entity (use of position for personal gain).
6. Participation in regulatory, civic, or professional organizations that might involve divulging confidential Banner data.
7. Purchase of a Banner Entity's assets (including inventory items).
8. Improvement or maintenance of a Covered Person's property using the assets of a Banner Entity.
9. Unauthorized association or use of a Banner Entity's name with an outside business or activity.
10. Running for or holding public office (including an appointed position) that may require participation in setting policies that would directly affect a Banner Entity.