

Policy Name: Dualities and Conflicts of Interest Policy and Forms	
Policy Owner: Texas Health Chief Compliance Officer	Effective Date: 06/19/2025
Approved By: Texas Health Audit and Compliance Committee	Last Reviewed Date: 06/19/2025
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1.0 Scope:

1.1 Applicable Entities:

This policy applies to:

- Texas Health Resources (Texas Health) and its member entities
- Texas Health Behavioral Health Virtual Visit
- Excludes the Texas Health joint venture entities (except those listed in the Formulation and Adoption of System-Wide Policies and Procedures in Section 4.1.6 or in Section 4.1.7)

1.2 Applicable Departments:

This policy applies to all departments.

2.0 Purpose:

- 2.1 To foster good faith and integrity and to provide a systematic and ongoing method for individuals to disclose and resolve existing or potential Dualities of Interest or Conflicts of Interest. This policy is intended to supplement, but not replace, any applicable federal and state laws governing conflicts of interest applicable to nonprofit and charitable corporations, as well as the more detailed internal policies, procedures, code of business ethics and standards of conduct governing the various activities of Texas Health, its employees and board members.

3.0 Policy Statement(s):

- 3.1 Specifically identified Texas Health employees, board and board committee members, officers, officer candidates, medical directors, contracted physicians, and physicians who serve on councils and committees such as the medical executive committee, the pharmacy and therapeutics committee and other committees as may be designated from time-to-time based on committee function shall disclose Dualities of Interest and potential and actual Conflicts of Interest (initially and on an annual basis thereafter) so that the governing body and/or management of Texas Health and related entities can make decisions in an objective manner without undue influence by persons with dualities, potential or actual conflicts and/or a private interest.

4.0 Policy Guidance:

4.1 Disclosure of Dualities and Conflicts of Interest

Persons with decision-making or administrative responsibility for the affairs of Texas Health and its subsidiaries may have other interests which could affect the decisions

they make on behalf of such organizations. Such persons may find their responsibilities to Texas Health in conflict or in competition with their other roles. All Dualities of Interest and potential and actual Conflicts of Interest must be disclosed.

4.2 Persons Covered by this Policy

The following individuals or groups are covered by this policy: (i) each member of a Governing Body; (ii) each member of a standing or *ad hoc committee* of the Governing Bodies of Texas Health and its subsidiaries; (iii) each member of the medical staff of a hospital subsidiary of Texas Health who is under contract (that involves compensation for administrative duties) with Texas Health or one of its subsidiaries; (iv) each officer of Texas Health or one of its wholly owned or controlled affiliates; and (v) each Texas Health employee or one of its subsidiaries or other person specifically designated by the Texas Health Chief Compliance Officer.

4.3 Timing Requirements for Potential Candidates

4.3.1 Texas Health Officer Candidates

Texas Health officer candidates may be required to complete a disclosure form prior to employment. The candidate's disclosures, if any, shall be reviewed by the Texas Health Chief Compliance Officer prior to any employment offer. Any identified duality or conflict of interest must be resolved prior to making an employment offer.

4.3.2 Texas Health Board and/or Board Committee Member Candidates

Texas Health board and/or board committee member candidates shall complete a disclosure form. The candidate's disclosures, if any, shall be reviewed by the Texas Health Chief Compliance Officer prior to inviting the candidate to serve on a Texas Health board or a Texas Health board committee. Any identified duality or conflict of interest must be resolved prior to making the invitation.

4.4 Annual Disclosure

Annually, a Duality and Conflict Statement Form shall be distributed by the Texas Health Chief Compliance Officer or designee to all persons who are covered by this policy. In addition, each covered person shall make a report; (i) promptly when he or she first becomes subject to this Policy under Sections 4.3.1, 4.3.2 or 4.3.3 above, (ii) immediately upon becoming aware of any new situation requiring disclosure and (iii) at least annually.

4.5 Disclosed Information

On a form approved by the Texas Health Chief Compliance Officer each covered person must report at a minimum: (i) the name of the Interested Party and (ii) a

description of the nature of the perceived Duality of Interest or Conflict of Interest. In the process of reviewing disclosure forms for potential Dualities of Interest and/or Conflicts of Interest, the Texas Health Chief Compliance Officer may request that a covered person disclose the approximate monetary value of an Arrangement or Compensation Relationship or such other information as may be needed to fully evaluate the disclosed duality or conflict of interest.

4.6 Review of Reports

All completed forms shall be reviewed by the Texas Health Chief Compliance Officer and Texas Health General Counsel. A report listing each reported Duality of Interest or Conflict of Interest shall be presented to the Texas Health Audit and Compliance Committee including the Texas Health Chief Compliance Officer's finding and decisions. After the report is approved by the Texas Health Audit and Compliance Committee, individual entity level reports shall be provided to both the Chair of the Texas Health Governing Body and the Triad of each Texas Health corporation with which the reporting person is affiliated.

4.7 Determination of the Existence of Conflict of Interests

In the case of a member of a Governing Body or a committee thereof, the members of such Governing Body with the assistance of the Texas Health Chief Compliance Officer shall determine in its reasonable judgment whether or not a Conflict of Interest exists. Generally, in any other case, the determination of whether or not a Conflict of Interest exists shall be made by the Texas Health Chief Compliance Officer. If a Conflict of Interest is deemed to exist, the procedures outlined in Section 4.9 below should be followed in considering any Arrangement.

Failure to follow such procedures, however, shall not cause any action taken by a Corporation with respect to an Arrangement to be void, voidable, invalid or unenforceable.

4.8 Determination of Insurmountable Conflict of Interests

The following conflicts of interests are considered insurmountable and will nullify any invitations to serve on a Texas Health board and/or board committee:

- 4.8.1 A significant relationship to a major supplier of medical equipment, devices, or patient services (other than physicians on the medical staff);
- 4.8.2 Elected officials at the state and national level;
- 4.8.3 A significant relationship with a competing hospital, health system, or care facility;
- 4.8.4 A significant relationship with an organization involved in activities that are not consistent with Texas Health Resources mission and values.

4.9 Procedures to Follow When Conflicts of Interest Exist

4.9.1 Discussions: In general, the Interested Party shall not participate in the discussions, deliberations or vote with respect to the Arrangement and the Interested Party should be asked to leave any meeting during such discussions, deliberations and vote. The Interested Party may, however, be counted in determining the existence of a quorum. The foregoing requirements shall not prevent an Interested Party from briefly stating his or her position with respect to the Arrangement or from answering pertinent questions as it is recognized that the Interested Party's knowledge with respect to the Arrangement may be of assistance.

4.9.2 Investigation of Alternatives: The Governing Body, committee thereof, or management may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or Arrangement as defined by the Texas Health Approval, Authorization and Responsibility Matrix.

4.9.3 Approval of Arrangement: The Governing Body or management of a Corporation may approve the Arrangement only following a determination by a majority of voting members of the Governing Body, other than the Interested Party or Parties or by the appropriate member of management as defined by the Texas Health Approval, Authorization and Responsibility Matrix that (i) the Arrangement is in the best interests of the Corporation and for its own benefit; (ii) the Arrangement is fair and reasonable to the Corporation; and (iii) the Corporation cannot obtain a more advantageous Arrangement with reasonable efforts under the circumstances.

4.10 Confidentiality

All written declarations, which arise from this Policy, are considered confidential documents and shall be maintained as such by the Texas Health Chief Compliance Officer.

4.11 Minutes of the Governing Body or Committee Proceeding

The minutes of the Governing Body or committee shall contain: (i) the names of the person(s) who disclosed during the meeting that they must abstain from any discussion or voting on topics of which they may have an actual or potential Conflict of Interest with regard to an Arrangement or other matter considered by the Governing Body, (ii) the nature of the Financial Interest, (iii) any action taken to determine whether a Conflict of Interest was present, (iv) the board or committee's decision as to whether a Conflict of Interest in fact existed, (v) the names of the persons who were present for discussions and votes relating to the transaction or Arrangement, (vi) the content of the discussion, including any alternatives to the proposed transaction or Arrangement, and (vii) a record of any votes taken in connection therewith.

4.12 Compensation Committee

4.12.1 Membership: A voting member of any committee whose jurisdiction includes Compensation matters and who receives Compensation, directly or indirectly, from Texas Health or one of its subsidiaries for services is precluded from voting on matters pertaining to his or her own Compensation.

4.12.2 Physician Compensation: Except as required by law, physicians who receive Compensation, directly or indirectly from Texas Health or one of its subsidiaries, whether as employees or independent contractors, are precluded from membership on any committee that determines and approves such Compensation. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician Compensation.

4.13 Violations of this Policy

If a Governing Body or in certain cases the Texas Health Chief Compliance Officer has reasonable cause to believe that a person to whom this Policy applies has failed to disclose an actual or potential Duality of Interest or Conflict of Interest, it shall inform such persons of the basis for its belief and afford him or her an opportunity to explain the alleged failure to disclose. If after hearing the response of such persons and making such further investigation as may be warranted under the circumstances, the Governing Body or Texas Health Chief Compliance Officer determines that such person has in fact failed to disclose an actual or potential Duality of Interest or Conflict of Interest, appropriate disciplinary and corrective action shall be taken by the Governing Body.

4.14 Periodic Reviews

Texas Health management shall conduct periodic reviews of the potential Conflict of Interests and other Arrangements identified under this Policy to determine that participation in such Arrangements is consistent with Texas Health's System Compliance Program and with tax-exempt status.

4.15 Use of Outside Experts

In conducting periodic reviews, the Corporation may, but need not, use outside advisors. If outside advisors are used, their use shall not relieve management of its responsibility for conducting periodic reviews.

4.16 Amendments

This Policy shall be reviewed and modified from time to time, in the discretion of the Texas Health Board of Trustees.

5.0 Definitions:

- 5.1 Arrangement - A transaction or contract between a Corporation and an entity in which a person to whom this policy applies, or his or her Family Member, has either a Financial Interest or a Governance Relationship.
- 5.2 Business Relationship - A contractual, agency or vendor relationship.
- 5.3 Compensation - Direct or indirect remuneration of any kind, including without limitation, gifts or favors which are substantial in nature.
- 5.4 Compensation Relationship - The payment or exchange of Compensation or potential payment or exchange of Compensation with an individual or entity.
- 5.5 Conflict of Interest - A conflict of interest exists when a person subject to this policy, or his or her Family members, has (i) a Financial Interest in or a Governance Relationship with an entity that has or is negotiating an Arrangement, including the renewal, modification or termination of an existing Arrangement, with a Corporation; (ii) a Financial Interest in a Corporation; (iii) a Compensation Relationship with an individual or entity that has or is negotiating an Arrangement, including the renewal, modification or termination of an existing Arrangement, with a Corporation; or (iv) a Compensation Relationship with a Corporation.
- 5.6 Corporation - Texas Health and each of its wholly owned or controlled entities.
- 5.7 Duality of Interest - A duality of interest exists when an individual subject to this policy or his or her Family Member, has a Financial Interest in, a Compensation Relationship with or a Governance Relationship with an individual or entity that provides services competitive with a Corporation, or is an officer, director or trustee of such an entity.
- 5.8 Family Member - An individual's: (i) parents, (ii) spouse, (iii) child, grandchild or, (iv) in-laws (v) siblings if known, as well as any (vi) other persons living in the same household.
- 5.9 Financial Interest - (i) An ownership or investment interest in an entity; or (ii) a potential ownership or investment interest in an entity; whether direct or indirect, or through a Business Relationship or Family Members. The term "Financial Interest" shall not include the ownership of less than one percent (1%) of the securities of a corporation whose shares are publicly traded.
- 5.10 Governance Relationship - Serving as an officer, director or trustee of an entity.
- 5.11 Governing Body - The governing body of a Corporation including without limitation a board of directors, board of governors or a board of trustees.
- 5.12 Interested Party - A person who, with respect to an Arrangement or Compensation Relationship, has a Duality of Interest or a Conflict of Interest.

5.13 Related Party - Individuals with the following current and former relationships, whether established by blood, marriage, domestic partnership, cohabitation, romantic relationship, adoption or other legal action: spouse, domestic partner, cohabitant, romantic partner, child, grandchild, sibling, parent, stepparent, grandparent, son- or daughter-in-law, brother- or sister-in-law, niece or nephew.

5.14 Texas Health Chief Compliance Officer - The individual charged by the Texas Health Board of Trustees with the responsibility of implementing and operating the Texas Health System Compliance Program in an independent and objective manner.

6.0 Responsible Parties:

6.1 Texas Health Board of Trustees:

6.1.1 Approval of policy provisions and disclosure process upon recommendation of the Texas Health Audit and Compliance Committee.

6.2 Texas Health Audit and Compliance Committee:

6.2.1 Oversight of this Texas Health policy and disclosure process.

6.3 Texas Health Chief Compliance Officer:

6.3.1 Implementation of this policy including review of all annual disclosures and formulation of conflict interest management plans, when appropriate, in coordination with Texas Health Legal Services.

6.4 Texas Health Entity Triads:

6.4.1 Review of annual entity reports related to this policy.

7.0 External References:

Not Applicable

8.0 Related Documentation and/or Attachments:

Not Applicable

9.0 Required Statements:

Not Applicable