



Troy Medicare Policy and Procedure

Title: Conflict of Interest and Conflict Committee		Policy Number: CMP 005	
Primary Department: Compliance		LOB: Medicare Advantage	Author: S Scott
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Interactive Related Department(s)			
☒ All Departments ☐ Compliance ☐ Medical Management ☐ Provider Operations ☐ Sales and Marketing	☐ Appeals and Grievances ☐ Customer Service ☐ Member Services ☐ Quality Management ☐ Utilization Management	☐ Care Management ☐ Enrollment ☐ Plan Administration ☐ Claims ☐ Other _____	

POLICY PURPOSE

Troy Health, Inc. ("the Company") is committed to identifying and resolving potential Conflicts-of-Interest to promote high ethical standards in its business environment.

The purpose of this policy is to demonstrate Troy's commitment to comply with the Conflict-of-Interest rules that prohibit an individual from taking official action in a particular matter involving any entity in which the Covered Person, or someone whose interests are imputed to the Covered Person, have a financial interest. These interests include those interests of a spouse, partner, or organization in which a Covered Person is serving as an officer, director, partner, or employee, or any person or organization with whom the Covered Person is negotiating or has an arrangement concerning prospective employment or other simultaneous activity or business engagement.

Troy Medicare is committed to complying with federal and state rules and regulations.

SCOPE

This policy applies to all employees, contractors, consultants and members of the Board of Directors of the Board (Covered Persons).

REFERENCES

- 42 CFR § 422.503, 42 CFR § 423.504
- Social Security Act, 42 U.S.C. §§ 301- Suppl. 4 1934
- Federal Acquisition Regulation (FAR) 2.101, 3.1101

RESPONSIBLE PARTIES

- Chief Compliance Officer

DEFINITIONS

- **Competitor** – a business entity that engages in one or more lines of business in which Troy Health engages and pursues the same potential members or customers.
- **Conflicts Committee (“Committee”)** - A standing committee established to consider conflicts of interest or potential conflicts of interest.
- **Conflict-of-Interest** – a situation in which the interests for personal or financial reasons conflict with an organization’s interest.
- **Covered Person** – individuals that are covered under this policy and could create a Conflict-of-Interest with the company.
- **Family Member** – a covered person’s parents, spouse, domestic partner, children, and siblings.
- **Material Financial Interest** – an ownership interest in an entity held by a covered person or a Family Member that is greater than 5%
- **Stakeholder** – a party that has an interest in a company and can either affect or be affected by the business.

POLICY

Troy Health, Inc. has developed a process to educate and survey employees and Board of Directors for potential Conflicts-of-Interest. In business, a Conflict-of-Interest can arise when a person chooses a personal gain (e.g., money, status, knowledge, relationships, reputation) over the duties and loyalty to their employer or an organization in which they are a Stakeholder. Conflicts can be real, or only have the appearance of a Conflict-of-Interest to others. Conflicts-of-Interest often have legal ramifications and may result in termination.

Conflicts-of-Interest can be caused by relationships, employment with a Competitor, or business transactions with entities in a financial relationship. The Board of Directors has fiduciary responsibilities and a duty to remain loyal with Troy Health, but may take actions to benefit themselves, resulting in a Conflict-of-Interest. If an actual, perceived, or potential conflict is present, the Covered Person must first try to avoid the conflict.

Conflict examples:

1. Ownership interests in business partners and competitors
 - o A conflict may arise if a covered person is employed in an executive or senior capacity, regardless of compensation amount, or has a Material Financial Interest in a business partner, Competitor, or an acquisition target.
2. Outside directorships
 - o A director’s involvement on a board of directors or service in senior management of a Competitor is a Conflict-of-Interest and puts Troy Health and the Competitor at

risk for antitrust violations.

3. Avoid business transactions with family or those with a close personal relationship.
4. Avoid hiring Family Members for positions in a direct report situation.
5. Disclose conflicts related to second jobs outside of Troy Health.
6. Professional activities such as consulting, speaking engagements, advisory boards, or review panel participation.
7. Expert court testimony and/or services.
8. Adherence to the Acceptance of Business Courtesies, Gifts, Gratuities policy in the Code of Conduct.

Involvement in political and community activities on a personal basis are activities that do not require disclosure.

Compliance has established a policy to identify and resolve Conflicts-of-Interest to protect Covered Persons, and Troy Health. Everyone is required to complete a Conflict-of-Interest disclosure form that a Covered Person must use to disclose any potential conflicts between the individual and Troy Health.

Troy Health has established a Conflict Committee ("Committee") to consider conflicts of interest or potential conflicts of interest. The Committee will investigate, evaluate, review, resolve and act upon any potential conflicts of interest between the Company, and by any Troy employee, contractor, consultant, or senior leader. The Committee will also determine the proposed course of action for remedy.

The Committee will determine if there is a potential or actual conflict of interest (COI) that could (or appear to) affect the professional activities of the employee, contractor, or consultant. The Committee considers disclosures on a case-by-case basis and conducts the review and determination in a manner that is intended to foster, not hinder, community and business relationships.

PROCEDURE

1. A Conflict-of-Interest disclosure form must be completed upon hire/appointment, if a conflict arises or changes, and annually thereafter.
2. Disclose changes to the last Conflict-of-Interest disclosure as soon as reasonably possible, but not later than 30 days of the change.
3. Potential actions following disclosure of a Conflict-of-Interest:
 - a. The Chief Compliance Officer has the authority to approve a future conflict.
 - b. Safeguards may include restricting the Covered Person from decision-making authority or access to certain information because of the disclosure.
 - c. The Covered Person may be asked to recuse him/herself from participation.

4. Failure to disclose or resolve a Conflict-of-Interest will be subject to disciplinary actions, up to and including termination of employment or appointment.

Procedure for the Conflicts Committee:

1. Evaluation.

The Chief Compliance Officer receives, reviews, and provides an administrative assessment of each disclosure and then assigns disclosures to the Committee.

The Committee will determine if there is a potential or actual conflict of interest that could (or appear to) affect the professional activities of the employee, contractor, or consultant. The Committee considers disclosures on a case-by-case basis and conducts the review and determination in a manner that is intended to foster, not hinder community and business relationships.

If the Committee determines that the disclosed interest does not compromise or appears to compromise the commitments of the individual to the Company and is not detrimental to its interests, the Committee may determine that no conflict exists.

If the Committee determines that the disclosed interest could (or could appear to) compromise the commitments of the individual to the Company, the Committee may determine that a conflict exists. Committee members will work to propose a resolution strategy to manage the conflict. In some instances, the Committee may determine that the conflict is unmanageable and that the individual cannot proceed with the commitments or activities disclosed, unless the individual eliminates the conflicting interest or situation. During the review process, the individual may be invited to meet with the Committee to answer questions or discuss ways to manage the identified conflict.

The Committee will consider at the least the following questions, as applicable, in reviewing a disclosure:

- Has all relevant information concerning the individual's activities been acquired (i.e., has there been full disclosure)?
- Do the individual's relevant interests or activities suggest the potential for conflicts of the appearance of conflicts or bias?
- Is there any indication that the individual in his or her professional (Troy) role has improperly favored any outside entity, or appears, to an uninvolved person, to have incentive to do so?
- Has the individual inappropriately represented the Company or his/her relationship to the Company to outside entities?
- Does or would the individual appear, to an uninvolved person, to be subject to incentives that might lead to conflicts or bias?
- Is there any indication that the individual's obligations to the Company are not being met or would not be met if the activity is approved? Is the individual involved in a situation that

might raise questions of bias, inappropriate use of Company assets, or improper use of other resources?

- Could the individual's circumstances with relation to the proposed activity represent any possible violation of federal or state requirements, or of Company policy?
- Do the current or proposed activities of the individual represent potential conflicts between outside interests (e.g., working on projects simultaneously for competing business entities?)
- Could the current or proposed activity withstand public scrutiny?

2. Recommendation

Following review, the Committee will make one of the following determinations:

1. No conflict exists;
2. Potential conflict, permissible within specific limits/criteria
3. Manageable conflict requiring a management plan; or
4. Unmanageable conflict

In cases in which the activity is permitted, but requires a management plan, the Committee may consider the following components for the management plan, as applicable:

- Full disclosure of financial/business interests
- Safeguards to individuals involved in the proposed activity
- Management by divestiture or eliminating the situation
- Possible management plan options includes but are not limited to:
 - Public disclosure of all relevant information
 - Modification to the business plan
 - Divestiture of relevant personal interests
 - Termination or reduction of involvement in the outside activities
 - Termination of inappropriate the individual's involvement in the activities
 - Severance of outside relationships that pose conflict/perceived conflict
 - Supervision of activities or interest by an independent party or supervisor

In making its review and management decisions, the Committee may consult with other individuals on an as-needed basis. These other individuals may include Troy management, other Troy employees, consultants, contractors or vendors, or family/household members of the individual, if applicable, and the individual's supervisor, particularly when the management plan will likely require department-level implementation and/or monitoring.

3. Management Plan Notification

If a management plan is approved by the Committee, the Chief Compliance Officer will send an electronic notification of the approval with a copy of the approved management plan to the individual, the individual's supervisor, the person responsible for the oversight of the plan, and/or Human Resources, as applicable.

All management plans shall require that the individual (1) submit a new disclosure within 30 days of any changes to the managed activity or of the employee's ability to comply with the management plan, and (2) certify annually in writing to the Chief Compliance Officer that the individual is in compliance with the terms of the management plan. Compliance with the management plan is subject to review at any time by the Company.

ATTACHMENTS/RELATED POLICIES/STANDARD OPERATING PROCEDURES

- *Conflict of Interest Disclosure Form*
- *Troy Code of Conduct and Addendum*

APPROVALS



Chief Compliance Officer

01 / 28 / 2024

Date



Policy Committee

01 / 29 / 2024

Date

Revision History

Revision Date	Revised by Whom	Revisions Made
4.11.2023	S Scott	Added Conflict Committee, updated regulatory references, revised policy purpose and scope. Revised title to include Conflicts Committee.
4.26.2023	S Scott	Revised Review Date to reflect date of review and approval by Conflicts Committee.
1.18.2024	S Scott	Annual review, no changes