

POLICY INFORMATION

Policy Title: Conflict of Interest Policy and Procedure

Departmental Owner: Chief Compliance, Audit, and Privacy Officer

Version Effective Date: March 31, 2025

Last Reviewed: March 31, 2025

SCOPE

This policy applies to the following individuals and/or groups:

☒ All Covered Individuals (e.g., all Nuvance workforce members, business affiliates, and agents) as defined below under Definitions.

This policy applies to all Nuvance Health Covered Individuals including but not limited to the following locations:

☐ All of the below entities

☒ Nuvance Health Systems

☐ Danbury Hospital (including New Milford Hospital Campus)

☒ Northern Dutchess Hospital

☐ Norwalk Hospital

☒ Putnam Hospital

☒ Sharon Hospital

☒ Vassar Brothers Medical Center

☒ Health Quest Systems, Inc. ("HQS")

☒ Health Quest Home Care, Inc

☒ Hudson Valley Cardiovascular Practice, P.C. (aka The Heart Center) ("HVCP")

☒ Other HQSI-affiliated Entities Not Listed

☐ Western Connecticut Home Care, Inc ("WCHN")

☐ Western Connecticut Health Network Physician Hospital Organization ACO, Inc.

☐ Western Connecticut Home Care, Inc

☐ Other WCHN-affiliated Entities Not Listed

☒ Nuvance Health Medical Practices (NHMP PC, NHMP CT, ENYMS & HVCP)

POLICY STATEMENT/PURPOSE

Nuvance Health and its affiliates ("Nuvance") have developed and adopted this Conflict of Interest Policy (the "Policy") to govern: (i) arrangements between the Entity and "Interested Persons" and (ii) certain other "Financial Interests" of Interested Persons that may directly or indirectly involve or impact the Entity. Interested Persons are subject to both:

1. A duty of loyalty which requires that they give primacy to the interests of the Entity, rather than personal concerns – that is, to avoid self-dealing at the Entity's expense; and
2. A duty of care which requires that they act in good faith, in a manner which is reasonably believed to be in the best interests of the Entity, and with such care as a reasonably prudent person would use in similar circumstances.

Together, the duty of loyalty and care frame the requirements for proper conduct of the Entity's business affairs and avoidance of a conflict of interest. A conflict of interest may exist when an Interested Person is in a position to influence the business or other decisions of the Entity in a way that could lead or appear to lead to the personal gain or advantage of such person, or his or her Immediate Family. This Policy is intended to supplement but not replace any applicable state laws governing conflict of interest applicable to nonprofit and charitable operations.

Conflicts of interest and other matters involving persons who are affiliated with the Entity but who are not Interested Persons (such as medical staff members, staff employees and independent contractors) are not subject to this Policy and will be handled pursuant to other applicable bylaws, policies and procedures as may be duly adopted and amended by the Entity from time to time. Nuvance has developed and adopted this Conflict of Interest Policy (the "Policy") to govern: (i) arrangements between the Entity and

"Interested Persons" and (ii) certain other "Financial Interests" of Interested Persons that may directly or indirectly involve or impact the Entity.

DEFINITIONS

For purposes of this policy, the terms listed below shall have the following meanings:

- (i) "Nuvance" means Nuvance Health and its affiliates.
- (ii) "Nuvance Affiliate" means an entity which is within the class of entities consisting of Nuvance and any other entity that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, Nuvance.
- (iii) "Approving Board" means the governing body of the Entity.
- (iv) "ACC" means the Audit and Compliance Committee of the Board of Directors.
- (v) "CEO" means the chief executive officer of the Entity, whether designated as chief executive officer, president or some other title.
- (vi) "Interested Person" means an individual who either is currently or was during the immediately preceding sixty (60) months a trustee, director, chief executive officer, chief financial officer, vice president, secretary, treasurer or other senior management of the Entity or a member of a committee of the board of directors or trustees of the Entity with Board-delegated powers. Notwithstanding anything herein to the contrary, for purposes of these policies, members of the medical staff who serve on committees established under the Entity's medical staff bylaws, such as the medical executive committee, shall not, by virtue of such service on any such committee, be deemed to serve on a committee of the board of directors or trustees of the Entity with Board-delegated powers.
- (vii) "Immediate Family" mean any spouse, domestic partner, natural or adoptive parents, children, siblings, stepparents, stepchildren, stepbrothers or stepsisters, father- or mother-in-law, sons- or daughters-in-law, brothers- or sisters-in-law, grandparents or grandchildren or spouses of grandparents or grandchildren.
- (viii) "Professional Services" means professional services rendered by attorneys, professionals licensed by the New York State Education Department, and other professionals that provide services that the ACC determines, in its discretion, to involve specialized knowledge, skills, expertise or the exercise of judgment and discretion.
- (ix) "Financial Interest" means that a person, or a member of the person's Immediate Family has, directly or indirectly, any of the following:
 - a. an existing or potential ownership, investment, voting or volunteer interest in any entity with which a Nuvance Affiliate: (i) has an existing financial transaction or arrangement; (ii) is negotiating a financial transaction or arrangement or (iii) competes. A person's debt or equity investment interest in an entity shall not be deemed a "Financial Interest" if such investment represents less than 1 % of such entity's value.
 - b. an existing or potential compensation arrangement with an Nuvance Affiliate or with any entity or individual with which an Nuvance Affiliate (i) has a financial transaction or arrangement; (ii) is negotiating a financial transaction or arrangement or (iii) competes. Compensation includes direct and indirect compensation, whether in cash or in kind, including without limitation gifts or favors that are substantial in nature.
 - c. a financial interest in any existing or proposed purchase, sale or lease of property or property right, interest or service, in competition with any Nuvance Affiliate.

Notwithstanding the foregoing, a member of the ACC who is also a member of the Entity's governing body shall not be deemed to have any Financial Interest in a transaction or arrangement involving the Entity or a Nuvance Affiliate if the member's sole relationship or interest in the transaction or arrangement is such member's membership on the ACC and the Entity's governing body.

- (x) "De Minimus Financial Interest" means any ownership interest, investment interest, compensation arrangement, purchase, sale or lease of goods and/or services, or other financial interest which constitutes a Financial Interest hereunder, and which meets one or more of the following conditions:
 - a. the aggregate amount of payments by all Nuvance Affiliates to the Interested Person and his or her Immediate Family relating to such De Minimus Financial Interest do not exceed \$10,000 per calendar year; or
 - b. the aggregate amount of payments by the Interested Person or his or her Immediate Family to all Nuvance Affiliates relating to such De Minimus Financial Interest do not exceed \$10,000 per calendar year.
- (xi) "Unrealized Financial Interest" means a Financial Interest which has arisen by virtue of the fact that a person or a member of the person's Immediate Family has submitted a bid or other proposal to provide goods and/or services to a Nuvance Affiliate, but the Nuvance Affiliate does not desire to accept and has not accepted, such bid or proposal, as the case may be.
- (xii) **Covered Individual:** This term refers to all Nuvance Health workforce members, business affiliates, and agents. Workforce members shall include any of the following individuals at Nuvance Health: Members of the Nuvance Health Board and the boards of any Nuvance Health related entity; administrators; managers, officers; employees; affiliates; medical staff members; appointees; volunteers; personnel; interns; students; trainees; and any individual whose conduct is under direct control of Nuvance Health whether or not they are paid by Nuvance. Business Affiliates shall include certain non-workforce members contractors, independent contractors, vendors, persons, subcontractors or third-parties. Agents include individuals or entities that have entered into an agency relationship with Nuvance.

PROCEDURE

Procedures:

- I. **Duty to Disclose**
In the event that an Interested Person has a Financial Interest of which he or she has knowledge, he or she must promptly disclose the existence and nature of such Financial Interest to the CEO or the individual(s) designated by the CEO to receive such disclosure (e.g. the Chief Compliance, Audit, and Privacy Officer ["CCAPO"]); provided, however, in the event that the CEO is the Interested Person, such disclosure shall be made to the Chairperson of the governing body of the Entity and the CCAPO. Disclosure by an Interested Person of a given Financial Interest on the Nuvance Conflict of Interest Questionnaire shall satisfy the disclosure requirement set forth in this paragraph with respect to such Financial Interest. Except as otherwise provided in Section (b)(4) below with respect to certain Professional Services, the provisions of this Section (b) shall apply to a given Interested Person's Financial Interest(s) even if the ACC has previously reviewed similar Financial Interests relating to such Interested Person in the past.
- II. **Referral to Audit and Compliance Committee**
After disclosure of the Financial Interest, the matter shall be referred to the ACC for investigation, review and determination as described below. Notwithstanding anything herein to the contrary, (i) De Minimus Financial Interests and (ii) Unrealized Financial Interests shall not be referred to the ACC for such investigation, review and determination.
- III. **ACC Review and Determination; Board Action**
 - a. The ACC shall first determine whether the Financial Interest constitutes a conflict of interest. Without limiting the discretion of the ACC to determine whether given Financial Interests constitute conflicts of interest, the ACC has the power and discretion to determine in good faith that certain Financial Interests are not conflicts of interest because the connection between the Interested Person's Financial Interest and the Nuvance Affiliate is so tenuous that it does not constitute a conflict of interest.
 - b. If the ACC determines that the Financial Interest does not constitute a conflict of interest, then the ACC shall report such fact to the officer, Board or Committee with approval authority over the transaction or arrangement which is the subject of the Financial Interest and no further action shall be required from the ACC.
 - c. If the ACC determines that the Financial Interest constitutes a conflict of interest, but does not involve a proposed transaction with a Nuvance Affiliate, then the ACC shall recommend appropriate action to the Entity; such action could include, without limitation, one or more of the following: (i) a recommendation that the Interested Person

resign from the governing body; (ii) a recommendation that the Interested Person either eliminate or modify his or her Financial Interest or resign from his or her position with the Entity or (iii) other corrective or disciplinary action as it deems appropriate.

- d. If the ACC determines that the Financial Interest constitutes a conflict of interest, and that it also involves a proposed transaction with a Nuvance Affiliate, then:
 - i. The ACC shall review alternatives to the proposed transaction or arrangement.
 - ii. After exercising due diligence, the ACC shall determine whether the Entity may obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest. When the transaction involves goods or services, such due diligence will generally include review of at least three (3) bids, unless the ACC determines that there is good cause for not requiring three bids, such as in cases where: (i) the goods or services are unique and three bids are not reasonably obtainable; (ii) the goods or services are needed on an emergency basis or (iii) the transaction involves Professional Services.
 - iii. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the ACC shall determine by a majority vote whether the transaction or arrangement is in the Entity's best interest and for the Entity's own benefit and whether the transaction is fair and reasonable to the Entity.
 - iv. The ACC shall promptly forward its recommendation and report to the officer, or Board with approval authority over the transaction or arrangement under review; provided, however, that:
 1. No action contrary to the recommendation of the ACC shall be taken by the Entity unless the Approving Board determines, after exercising due diligence, by a three quarters (3/4) vote of all eligible board members: (i) that no conflict of interest exists with respect to such transaction or arrangement or (ii) that the Entity cannot obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest and the transaction or arrangement is in the Entity's best interest and for the Entity's own benefit and is fair and reasonable to the Entity.
 2. Such Interested Person(s) shall be required to leave any board or committee meeting during any time that the proposed transaction or arrangement is discussed or voted on by such board or committee, as the case may be.

IV. Recurring Financial Interests

The ACC will review and approve an Interested Person's ongoing provision of Professional Services to an Entity under this Policy on an annual basis and will also separately review any special project(s) requiring the provision of such Professional Services by the same Interested Person if the actual or projected aggregate value of the special project is greater than \$100,000. Determination of whether given services provided by an Interested Person constitute Professional Services shall be made by the ACC upon the initial review of the Interested Person's Financial Interest by the ACC.

V. Violations of the Conflict of Interest Policy

- a. If the Board or the ACC has reasonable cause to believe that an Interested Person has intentionally failed to disclose any Financial Interest, it shall inform the Interested Person of the basis for such belief. The matter shall be referred to the ACC for investigation. The ACC shall afford the Interested Person an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of the Interested Person and making such further investigation as may be warranted in the circumstances, the ACC determines that the Interested Person has in fact failed to disclose a Financial Interest and that such Financial Interest constitutes a conflict of interest, it shall recommend appropriate disciplinary and corrective action to the Entity's governing body. The Entity's governing body shall then vote on such disciplinary and corrective action; provided, however, that in no event shall such governing body vote in a manner which is contrary to a recommendation of the ACC unless the Approving Board approves of such action.

Recording of Proceedings:

The minutes of the ACC and of any board taking actions described in this Policy shall contain:

- i. The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible conflict of interest, the nature of the Financial Interest, any action taken to determine whether a conflict of

interest was present and the ACC's or board's decision, as the case may be, as to whether a conflict of interest in fact existed.

- ii. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement and a record of any votes taken in connection therewith.

Compensation Committees:

- i. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from any Nuvance Affiliate for services is precluded from voting on matters pertaining to that member's compensation.
- ii. Physicians who receive compensation, directly or indirectly, from any Nuvance Affiliate, whether as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters.

Annual Statements:

Each Interested Person shall annually complete and sign the Nuvance Conflict of Interest Questionnaire to disclose all Financial Interests and actual or potential conflicts.

Periodic Reviews:


The Entity shall conduct periodic reviews that shall, at a minimum, include the following subjects:

- i. Whether compensation arrangements and benefits are reasonable and is the result of arm's-length bargaining.
- ii. Whether acquisitions of physician practices and other provider services result in inurement or impermissible private benefit.
- iii. Whether partnership and joint venture arrangements and arrangements with management service organizations and physician hospital organizations conform to written policies, are properly recorded, reflect reasonable payments for goods and services and further the Entity's purposes.
- iv. Whether agreements to provide health care and agreements with other health care providers, employees, and third-party payers further the Entity's purposes.

Use of Outside Experts:

In conducting the periodic reviews provided for above, the Entity may, but need not, use outside advisors. If outside experts are used their use shall not relieve the Board of its responsibility for ensuring the conduct of periodic reviews.

APPROVAL

Signed by:

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Signature

3/28/2025

Date