



Policy No.: 1	<b>Policy for the Promotion of Ethical Conduct</b>
Version: 1	Effective Date: 6/20/13

## **Policy**

As a nonprofit organization at the forefront of health information exchange, Healtheway's policy is to uphold the highest legal, ethical, and moral standards. Our members, donors and volunteers support Healtheway because they trust us to be good stewards of their resources, and to uphold rigorous standards of conduct. Healtheway's reputation for integrity and excellence requires the careful observance of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

## **Procedure**

Healtheway shall comply with all applicable laws and regulations and expects its directors, officers, employees, contractors and volunteers to conduct business in accordance with the letter and spirit of all relevant laws; to refrain from any illegal, dishonest, or unethical conduct; to act in a professional, businesslike manner; and to treat others with respect. Directors and officers shall not use their positions to obtain unreasonable or excessive services or expertise from Healtheway's staff.

In general, the use of good judgment based on high ethical principles should guide directors, officers, employees, contractors and volunteers with respect to lines of acceptable conduct. If, however, a situation arises where it is difficult to determine the proper course of conduct, or where questions arise concerning the propriety of certain conduct by an individual or others, the matter should be brought to the attention of Healtheway. Employees, contractors and volunteers should contact their immediate supervisor. Board members should raise any such concerns with the chair or the treasurer of Healtheway's board.

In all questions involving ethics and conduct, the board shall make relevant determinations, except that any individual whose conduct is at issue may not participate in such decisions.



Policy No.: 2	<b>Compensation of Individuals While Serving as Board Members Policy</b>
Version: 1	Effective Date: 6/20/13

## Policy

This policy establishes expectations for providing compensation to individuals who provide services to Healthway, Inc. (“Healthway”) while also serving as Healthway board members.

### Compensation for Serving on the Board

No compensation of any kind shall be paid to any director for the performance of his or her duties as a Healthway director. Board members may be allowed reasonable reimbursement of expenses incurred in the performance of their duties, including attendance at board-authorized meetings and conferences, pursuant to prior approval from Healthway.

### Compensation for Services Outside the Duties of a Board Member

Subject to the Healthway Conflict of Interest Policy, this policy shall not in any way limit reasonable compensation for payment for services provided to Healthway by the director in any capacity separate from his or her responsibilities as a director, provided that there is full disclosure of the terms of such compensation and the arrangement has been approved by the board. The provisions of this section shall not in any way limit reimbursement of or payment for services provided to Healthway by any organization with which a director is affiliated.

Nothing in this Policy shall prevent a board member from being employed by Healthway.

## Procedures

In order to avoid a conflict-of-interest situation between an individual board member and Healthway, the following procedures will be observed:

1. If the board member is asked or volunteers to perform a service in his or her capacity as a board member, the board member will not charge or be reimbursed for the service.

Example: A board-member attorney agrees to research and/or give an opinion regarding director liability. That task will be done by the attorney as a volunteer board member at no charge.

2. If the board member is requested by Healthway to perform a service or provide a product to Healthway, competitive bids will be sought and/or comparable valuation determined. If the contract is awarded by a vote of the disinterested directors, the board member will be paid accordingly for the service or product.



Policy No.: 3	<b>Confidentiality Policy</b>
Version: 1	Effective Date: 6/20/13

**Policy**

Healtheway and its board members, committee members, staff, consultants and volunteers (“Personnel”) may only use and disclose Healtheway Confidential Information as authorized by Healtheway, in the conduct of Healtheway’s affairs, and shall make reasonable efforts to prevent unauthorized disclosures of Healtheway Confidential Information.

Healtheway Confidential Information shall include all such information relating to (i) Healtheway members, donors, potential donors, clients and Personnel; (ii) eHealth Exchange operations, governance and participants; or (iii) Healtheway operations, policies, plans, goals, or objectives. Healtheway Confidential Information shall not include information previously known to Personnel, the Healtheway membership, the general public, or previously recognized as standard practice in the field.

All files, documents, and working papers of Healtheway are the property of Healtheway. When Personnel cease to be employed by or affiliated with Healtheway, such Personnel shall return to Healtheway all Healtheway Confidential Information and all materials supplied to them by Healtheway, including, but not limited to, agendas, minutes and supporting documents.

Any Personnel who purposely, or through a failure to exercise reasonable care, causes Healtheway Confidential Information to be disclosed improperly will be subject to disciplinary action, up to and including termination.

**Procedures**

Healtheway employees, contractors, volunteers and other staff shall execute a Confidentiality Agreement with Healtheway.

Healtheway shall include confidentiality provisions in legal agreements it executes with service providers, suppliers, and partners to protect Healtheway Confidential Information.

Healtheway board members shall execute a Healtheway Consent to be Named a Director, which includes obligations for safeguarding Healtheway Confidential Information.

Government liaisons to the Healtheway board of directors shall execute a Healtheway Government Liaison Invitation Letter which includes obligations for safeguarding Healtheway Confidential Information.



Policy No.: 4	<b>Conflict of Interest</b>
Version: 1	Effective Date: 6/20/13

## Policy

The purpose of the conflict-of-interest policy is to protect Healtheway’s interest as a tax-exempt organization when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Healtheway officer or director or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

An Interested Person has an affirmative obligation to act at all times in the best interest of Healtheway.

## Definitions

Interested Person shall mean any Healtheway director, officer, or member with Healtheway board–delegated powers, who has a direct or indirect financial interest, as defined below.

Financial Interest shall mean a person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which Healtheway has a transaction or arrangement,
- b. A compensation arrangement with Healtheway or with any entity or individual with which Healtheway has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Healtheway is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Healtheway board of directors decides that a conflict of interest exists.

## Procedures

### 1. Duty To Disclose

In connection with any actual or possible conflict of interest, an Interested Person shall disclose the existence of the Financial Interest and be given the opportunity to disclose all material facts to the

Healthway board. This duty to disclose shall not operate to require an Interested Person to disclose his/her employment by a member for matters that do not contemplate a specific transaction or arrangement between Healthway and such member.

## **2. Determining Whether a Conflict of Interest Exists**

After disclosure of the Financial Interest and all material facts, and after any discussion with the Interested Person, he or she shall leave the Healthway board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Healthway board members shall decide if a Conflict of Interest exists.

## **3. Procedures for Addressing the Conflict of Interest**

- a. An Interested Person may make a presentation at the Healthway board meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The Healthway board chair shall, if appropriate, appoint a disinterested individual or a committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Healthway board shall determine whether Healthway can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Healthway board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

## **4. Violations of the Conflicts-of-Interest Policy**

- a. If the Healthway board has reasonable cause to believe a director, officer or member has failed to disclose actual or possible conflicts of interest, it shall inform the individual of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the individual's response and after making further investigation as warranted by the circumstances, the Healthway board determines the individual has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## **5. Records of Proceedings**

The minutes of the Healthway board shall contain:

- a. The names of the persons who disclosed or otherwise were found to be Interested Persons 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 Healthway board's decision as to whether a conflict of interest in fact existed; and
- b. 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 with the proceedings.

## **6. Compensation**

- a. A voting member of the Healthway board who receives compensation, directly or indirectly, from Healthway for services is precluded from voting on matters pertaining to that director's compensation.

- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from Healthway for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting director whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from Healthway, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

### **7. Annual Statements**

Each director, principal officer, and member of a committee with Healthway board-delegated powers shall annually sign a statement that 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 Healthway is a charitable organization and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

### **8. Periodic Reviews**

To ensure Healthway operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining; and
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to Healthway's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

### **9. Use of Outside Experts**

When conducting the periodic reviews as provided for in Section 8 above, Healthway may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Healthway board of its responsibility for ensuring periodic reviews are conducted.



## Conflict of Interest Disclosure Form

To help avoid any conflicts of interest, you are disclosing ownership or other proprietary interests, responsibilities, circumstances, or other reasons why you (or, by extension, any member of your family) might have an actual, apparent or potential conflict of interest with your duty to Healthway, both with respect to the conflicts identified in the attached policy and any others. You hereby invite further review by Healthway of any aspects of these circumstances that might be appropriate. In addition, you agree to take other steps, such as avoiding deliberation and resolution of certain issues or even withdrawing from your membership on the board, if it is determined that such steps are necessary to protect the integrity of the board and avoid the breach of your fiduciary duty to Healthway. Finally, during such time as you continue to serve on the Board, you agree to notify the Chairman of such board promptly if and when you determine that any additional actual, apparent or potential conflict of interest with your duty to Healthway arises subsequent to the execution of this form. Please check the appropriate section at the bottom of this page.

\* \* \* \* \*

I have received, read and understand the foregoing Conflict of Interest Policy and Conflict of Interest Disclosure Form and agree to abide by their terms. I also understand that Healthway is a charitable organization and in order to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

- I have no conflicts to disclose but agree to abide by all of the above terms and conditions.
- I have attached a statement of conflicts disclosure and agree to abide by all of the above terms and conditions.

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Printed Name*

\_\_\_\_\_  
*Organization*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Title*