

HARBOR-UCLA MEDICAL CENTER

SUBJECT: OUTSIDE EMPLOYMENT/INCOMPATIBLE ACTIVITY, CONFLICT OF INTEREST, STATEMENTS OF ECONOMIC INTEREST, AND DUAL COMPENSATION

POLICY NO. 231

PURPOSE:

To govern outside employment/incompatible activities, conflict of interest, California Conflict of Interest and Disclosure Code and dual compensation of Department of Health Services (DHS) employees.

POLICY:

Harbor-UCLA Medical Center has established policies and specific procedures to govern outside employment/incompatible activities, conflict of interest, Statements of Economic Interest, and dual compensation of Departmental employees according to DHS Policy No. 740, effective January 1, 2003.

PROCEDURE:

I. OUTSIDE EMPLOYMENT/INCOMPATIBLE ACTIVITY

A. Policy

In compliance with State law and County ordinance, the Department has adopted the following policy:

1. A full-time employee of the DHS -- exclusive of postgraduate physician classifications -- may work in non-conflicting outside employment to a limit of 24 hours in any week, with supervisor's approval provided that the effectiveness of his/her County assignment is not impaired.

Persons employed in postgraduate physician classifications are limited to a maximum of 96 hours of non-conflicting outside employment in any one calendar month.

2. No employee may make, participate in the making, or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason

EFFECTIVE DATE: 03/99

SUPERSEDES:

REVISED: 03/03, 12/16

REVIEWED: 01/02, 03/03, 10/04, 08/07, 12/16

REVIEWED COMMITTEE:

APPROVED BY:

Kim McKenzie, RN, MSN, CPHQ
Chief Executive Officer

Anish Mahajan, MD
Chief Medical Officer

Patricia Soltero Sanchez, RN, BSN, MAOM
Interim Chief Nursing Officer

Signature(s) on File.

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to know that he has a financial interest. Employees are prohibited in the making of a contract in which she/he has a financial interest.

3. While on County time, no full-time or part-time employee of the Department may engage in any outside employment or activity for compensation or on a volunteer basis, unless it is a circumstance in which the employee receives supplementary compensation as provided for in Title 5, Chapter 5.44 of the Los Angeles County Code.

NOTE: Many activities with non-County agencies are considered to be a regular part of the employee's County employment.

If there is any doubt as to the nature of the activity, approval of the local facility/program administrator or Medical Director should be obtained.

4. No employee shall use County facilities, tools, equipment or supplies for other than County purposes.
5. Employees are prohibited from using, in connection with outside employment, confidential and other non-public information gathered in contact with patients, clients, employees, or from departmental records. Such information may be used only for official departmental business.
6. The provision of expert witness service that takes a position against the County in any legal action where the County is a party to the action shall be deemed to be inconsistent with or incompatible to the employee's duties with the County. This applies to all employees, including contract workers, students, agency personnel, volunteers, whether they are permanent, temporary, part-time or other.

B. Outside Employment/Incompatible Activities Guidelines

1. All employees intending to engage in outside employment or activities shall notify the Department in writing and **obtain prior approval** for such employment or activity.
2. Employees (full or part-time, contract workers, students, agency personnel, permanent or temporary) who intent to provide expert witness testimony shall obtain **prior** approval to engage in such activity.
3. Human Resources Managers shall provide the "EMPLOYEE REPORT ON OUTSIDE EMPLOYMENT/INCOMPATIBLE ACTIVITIES" (Attachment I) to full-time employees for use in notifying the Department of their intent to engage in outside activities.
4. An Employee's Report on Outside Employment/Incompatible Activities shall be reviewed by management to assure whether the employment/activity is compatible with

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the employee's County employment (see Approval Process below). Any employee of the department who has any doubt as to the compatibility of outside employment with County employment is required to disclose the circumstances and consult with his/her supervisor or the local facility Human Resources Manager for a determination.

5. Each Human Resources Manager shall establish procedures to assure that employees are aware of this policy. Such procedures shall include, but are not limited to, the following:
 - a. Review and signature acknowledgment of the policy by each incoming employee maintained in the personnel file.
 - b. Documentation of additional review of this policy between the supervisor/manager and the employee attached to the annual Performance Evaluation.
 - c. Written notice to volunteers and other non-compensated employees.

C. Approval Process

1. **Prior** to engaging in outside employment, an employee shall:
 - a. Submit to his/her immediate supervisor a completed and signed "EMPLOYEE REPORT ON OUTSIDE EMPLOYMENT/ INCOMPATIBLE ACTIVITIES" (Attachment I), and attach relevant, in-depth written documentation verifying the terms, conditions and duties of the outside employment.
 - b. Sign an authorization to release information related to the working hours required for the outside employment/activity (Attachment II).
2. The employee's immediate supervisor and Division Head or next highest level of management will review such requests.

The review also will include a verification with the outside employer of the information provided by the employee regarding the terms, conditions and duties of the proposed outside employment.
3. Approval must be obtained from both the immediate supervisor and the Department Head, next highest level of management.
4. Incomplete requests will be returned to the employee for corrective action.
5. The employee will be notified within ten (10) business days of the disposition of his/her request.
6. Approved Outside Employment request forms shall be distributed as follows:
 - a. Original to be filed in employee's personnel folder.
 - b. A copy to be returned to the employee.
 - c. A copy to be returned to the immediate supervisor. (Applies to non-physicians only.)

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d. A copy to the facility/program Medical Director. (Applies to physicians only.)

D. Conditions for Denial

Grounds for denial of the outside employment/incompatible activities request include, but are not limited to:

1. The employee has a less than competent performance evaluation.
2. The outside employment or activity, by its nature, schedule or extent, might impair the employee's efficiency in the County service (e.g., cause tardiness or tiredness).
3. The non-conflicting outside employment/activity requires and/or involves more than 24 hours per week for a person employed in a County classification other than a postgraduate physician classification.
4. The non-conflicting outside employment/activity requires and/or involves more than 96 hours in any one calendar month for a person employed in a County postgraduate physician classification for full-time employees.
5. County property, tools, records, confidential and/or other non-public information are used in conjunction with the employment.
6. The outside employment/activity position requires the employee to engage in non-County business and/or activities while on County time. This would include, for example, requiring an employee to be available to answer non-County related telephone calls while on County time.
7. The outside employment/activity position is incompatible or inconsistent with or would result in a conflict of interest with the full-time employee's regular duties and/or responsibilities of his/her County employment.
8. The non-County employer is known to serve as an "agent" to recruit other County employees, (i.e., the outside employment would constitute recruitment of County employees away from the County).
9. In the case of County physicians, the non-County position would cause any hours of County employment to occur immediately following 24 hours of continuous County and/or non-County employment (see Special Conditions for Physicians).
10. Failure to provide requested verification of outside employment.
11. The County employee's refusal to sign a release authorizing the outside employer to provide the proposed working hours to the County.

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12. The employee intends to provide expert witness testimony in legal cases where the County is a party to the action.

NOTE: The above list is intended to be representative and not exhaustive.

Therefore, employees should use it as a guide, and consult with their immediate supervisor and/or Human Resource Manager if in doubt. Under all circumstances, requests to serve as an expert witness against the County in a case where the County is a party to the action, shall be denied.

E. Special Conditions for Physicians

Physicians employed by the Department may wish to supplement their base salaries with Non-County employment. Potential sources of non-County income may include, but are not limited to, affiliated medical school income that is not provided pursuant to the terms of an Affiliation Agreement with the subject medical school research, private practice, outside contracts and lectures.

These non-County sources of income, for any employment in addition to and separate from medical affiliation agreements, **must receive prior approval** from the County's immediate supervisor at the County facility in accordance with this policy.

Physician time used for private practice, preparation of and presentation of medical education materials, and research activities may not be claimed on the County Timesheet.

A physician may receive compensation for outside employment upon approval of his/her supervisor provided that his/her County employment is not impaired and the work is not concurrent. Compensation to a physician under an Affiliation Agreement is not subject to this approval process. This approval process applies only to work that a physician intends to perform separate and apart from the Affiliation Agreement.

Physician residents and their supervisors must take care to ensure outside employment does not exceed the allowable number of hours of work based on the physician's work schedule and County, State and regulatory provisions.

F. Appeal Process

Whenever a request for approval of outside employment is denied, the employee may appeal the decision within ten (10) business days of the notice of denial. If the appeal is not filed within ten (10) business days, it shall be denied as untimely.

1. A request for appeal must be in writing, state the specific reason(s) for the request and must be submitted to the Department Head or next highest level of management that reviewed the original request for approval.

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- 2. The employee must include any specific evidence, information, and documentation to support his/her position at the time the request for appeal is filed.
- 3. The Department Head or second-level signatory shall review the request for appeal and all accompanying evidence, information and/or documentation, and make a written finding and decision within ten (10) business days of the filing date of the request for appeal. A copy of the findings shall be given to the employee.
- 4. An employee who disagrees with the finding of the Department Head; or
- 5. Second-level signatory may file a written appeal with the Director, DHS Office of Human Resources setting forth the specific reasons for his/her disagreement. **Such appeal must be filed within ten (10) business days of receipt of the written findings of the first level appeal.**

The Director, DHS, Human Resources or his/her designee will convene a Review Board which will include a member of the Executive Management of the local facility. The Review Board's decision on such an appeal shall be provided to the employee in writing within twenty (20) business days of the filing date, and shall be conclusive and final.

II. CONFLICT OF INTEREST

A. Policy

- 1. Under State law, no County employee may make, participate in the making, or in any way attempt to use his/her official position to influence any governmental decision in which he/she has a financial interest.

An employee has a financial interest in a decision if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the employee or a member of his/her immediate family, or on:

- a. Any business entity in which the employee has a direct or indirect interest worth \$2,000 or more.
- b. Any real property in which the employee has a direct or indirect interest worth \$2,000 or more.
- c. Any source of income to the employee aggregating \$500 or more in value provided to, received by, or promised to the employee within 12 months prior to the time when the decision is made.

NOTE: Income to an individual's spouse is, in most circumstances, attributable to the individual. Thus, an employee may have a financial interest in his/her spouse's employer/source of income.

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- d. Any business entity in which the employee is a director, officer, partner, trustee, employee, or holds any position of management.
- e. Any donor of, or any intermediary or agent for a donor of, a gift(s) aggregating \$360 (to be increased biennially based on the Consumer Price Index, per State law) or more in value provided to, received by, or promised to the employee within 12 months prior to the time when the decision is made.

NOTE: By State law, the value of gifts is increased biennially.

- 2. State law also precludes a County employee from participating in the making of a contract in which he/she has a financial interest.

For purposes of this prohibition, the concept of "participating in the making of a contract" has been very broadly defined to include involvement in any aspect of the contract process, including, but not limited to, the recommendation of whether to contract out specific work, the drafting of contract specifications, the evaluation of proposals/bids, the recommendation to award the contract to a proposer/bidder, the monitoring of a contractor, or the recommendation to extend or terminate a contract.

In addition to the statutory definition of financial interest, there are numerous State statutes and regulations that further define what constitutes financial interest.

Any employee who believes that he/she may have a financial interest in a decision or contract that is within his/her departmental responsibility should immediately discuss the issue with his/her supervisor before he/she, in any way, participates in the decision or in the making of the contract.

- 3. No County employee, shall be involved in the decision to transfer or refer a paying patient to a private facility in which the employee has a financial interest, (i.e., a facility in which the employee has an investment, receives income from, or serves as a partner, officer or director), unless specifically authorized to do so by the Chief Operating Officer after disclosing the nature of the affiliation.

Honoraria (money given to an employee for guest speaking engagements), is generally not allowed. In some situations it may be accepted if it has been approved by the Department Head or designee, in writing, prior to the engagement and the honoraria is donated to a 501(c)(3) non-profit agency or to the department to enhance the provision of services. Since the rules are very fact specific, an employee must check with his/her supervisor before accepting any honoraria.

B. Guidelines

- 1. The burden of responsibility is upon the employee to disclose and report all potential conflict-of-interest situations, document the circumstances, and secure appropriate

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Department Head consultation and approval for the procedure to be followed which will be designed to protect the Department, the employee and the public. The Conflict of Interest Disclosure Form shall be used for this purpose.

- 2. Each Human Resources Manager shall establish procedures to assure that employees are aware of this policy. Such procedures shall include, but are not limited to, the following:
 - a. Review and signature acknowledgment of the policy by each incoming, new transfer, reinstated or restored employee maintained in the personnel file.
 - b. Documentation of additional review of this policy between the supervisor/ manager and the employee attached to the annual Performance Evaluation.
 - c. Written notice to volunteers and other non-compensated employees.

III. CONFLICT OF INTEREST AND DISCLOSURE CODE

A. Policy

In compliance with the State of California Political Reform Act of 1974 and the regulations generated by the Fair Political Practices Commission, the Department has enacted a Conflict of Interest and Disclosure Code.

This Code lists all job positions that involve the making or participation in the making of decisions that may foreseeably have a material effect on the employee's private financial interests. For each designated position, the Code also enumerates the specific type of financial interests that are reportable. On an annual basis, employees designated on the Code must complete a Statement of Economic Interests, disclosing those financial interests specified by the Code.

All employees, regardless of whether they are required to file annual financial disclosure statements, are required to disqualify themselves from participating in or attempting to influence any County decision in which they have a financial interest.

B. Guidelines

Principal guidelines required by the State of California provide that:

- 1. All foreseeable potential conflict-of-interest situations shall be disclosed by employees.
- 2. Each affected person shall be provided a clear and specific statement of his/her duties under the Department's Conflict of Interest and Disclosure Code.
- 3. The Code shall adequately differentiate between designated employees with different powers and responsibilities.

IV. DUAL COMPENSATION

A. Policy

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Per Departmental policy, an employee shall not receive compensation from other sources for the performance of his/her County duties.

Compensation received by a full-time Departmental employee from a medical school pursuant to an affiliation agreement is not considered dual compensation.

An employee may receive compensation for work performed for a medical school or School of Public Health upon approval of his/her supervisor provided that his/her County employment is not impaired and the work is not concurrent. Payment for work performed by a physician pursuant to the terms of an Affiliation Agreement shall not constitute "dual compensation".

Should management become concerned regarding the compatibility of research activities with County employment, those concerns should be referred to DHS Human Resources for consultation.

B. Employee Responsibility/Accountability

1. All full-time employees are responsible for obtaining prior written approval from their immediate supervisor for outside employment.
2. The employee is responsible for providing accurate and complete information stating the terms, conditions and duties of the outside employment to the satisfaction of his/her immediate supervisor.

This may include obtaining and providing verification from a non-County employer of the duties and working hours for the non-County position.
3. Any time the terms, conditions and working hours of the non-County position change, the employee is responsible for immediately notifying his/her supervisor.
4. The employee's signature on the Outside Employment Form shall attest to the accuracy and completeness of the information contained therein.
5. All employees are responsible for disclosing any potential or actual conflict of interest or possible incompatibility situations to their immediate supervisor as soon as they are identified by the employee.
6. **Failure to comply with Outside Employment, Conflict of Interest, Statement of Economic Interest and Dual Compensation policies may result in disciplinary action, including written warnings, reprimands, suspension, discharge or termination of service.**

C. Supervisor/Manager Responsibility/Accountability

Supervisors/managers will be held accountable for ensuring that employees are informed of these policies and for the review and approval of Outside Employment to ensure no Conflict of

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Interest. Supervisors/managers are responsible for initiating corrective or disciplinary action for non-compliance with the above stated policies.

Failure of supervisors/managers to comply and/or enforce the Outside Employment, Conflict of Interest, Conflict of Interest and Disclosure Code and/or Dual Compensation policies may result in disciplinary action, including written warnings, reprimands, suspension, or discharge.

D. Physician Designee

The Physician Designee is the physician designated by the local facility Medical Director to develop and implement a plan for monitoring Outside Employment and Dual Compensation for Department physicians. The Physician Designee is responsible for overseeing the physician outside employment approval/denial process, and shall develop procedures to ensure that the local facility Medical Director is kept apprised of compliance in this area.

E. Human Resources Managers

1. Human Resources Managers shall establish procedures to include notification and written acknowledgment of these policies to incoming employees and to all employees on an annual basis.
2. Human Resources Managers are responsible for evaluating requests for disciplinary actions, conducting investigations, providing consultation and initiating appropriate disciplinary actions when requested by management.

V. AUTHORITY

County Code, Title 5, Chapter 5.44
DHS Policy No. 740
Cal. Gov. Code 1126

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COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES

CORPORATE OFFICE OF HUMAN RESOURCES MANAGEMENT

I hereby acknowledge receipt of the Department of Health Services, County of Los Angeles, Policy No. 740, Outside Employment/Incompatible Activity, Conflict of Interest. Statements of Economic Interest, and Dual Compensation.

My signature further acknowledges my understanding of my responsibilities under this Policy. Failure to comply with this Policy may result in disciplinary action taken against me, which may include written warnings, reprimands, suspension or discharge from County employment.

EMPLOYEE NAME	EMPLOYEE NUMBER
PAYROLL TITLE	DEPARTMENT
EMPLOYEE SIGNATURE	DATE

c: Employee
Supervisor

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(ATTACHMENT II)

COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES
Authorization to Release Outside Employment/Activity Information

The purpose of this form is to authorize the release of information related to employment or activities outside of, or in addition to, County employment. Failure to provide information requested by the Department verifying terms, conditions and duties of the outside employment or activity may be grounds for denial of the outside employment/activity request.

Instructions: The County employee completes the top portion of the form and submits it to the immediate supervisor. The supervisor sends this form with a cover letter requesting the verification information to the outside employer. The outside employer/supervisor completes the bottom section of this form and returns to the County supervisor. Upon receipt of the verification, the County supervisor evaluates the information for purposes of approving or denying outside employment/activities.

To be completed by the County Employee:

I, [Print name here] authorize [Print name of employment/activity entity here]

To release information verifying the nature and hours of my employment/activity to the Los Angeles County Department of Health Services. I hereby consent to the release of any such information which the Department may request.

This release of information should be sent to the attention of [Print name of outside supervisor her]

At the address below:

Print: Street address City State Zip Code Phone #

County Employee Signature

To be completed by the non-County supervisor, then returned to the County supervisor:

The County employee named above intends to, or is currently providing PAID/UNPAID services in the position of (Circle one)

[], effective [Date]. The duties of this position are:

The working hours (include start and end times) for the employee/volunteer are:

The employee/volunteer IS/IS NOT on-call or on stand-by for this company. (Circle one)

Non-County Supervisor Signature

Date

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COUNTY OF LOS ANGELES DEPARTMENT OF HEALTH SERVICES Conflict of Interest Disclosure Form

EMPLOYEE TO COMPLETE UPPER PORTION OF FORM AND SUBMIT TO IMMEDIATE SUPERVISOR

Employee Name: Employee #:

DHS Facility/Program: Dept. #:

Work Address: (Street) (City) (Zip code)

Work Phone#: Employee's Payroll Title:

Immediate Supervisor: Supervisor's Phone #:

Use the lines below to describe the conflict of interest situation:

Five horizontal lines for describing the conflict of interest situation.

NOTE: If the conflict of interest situation involves non-County employment, you must obtain prior approval using the Outside Employment Reporting Form and approval process. Your signature below certified that the above information is true and complete. Failure to disclose all conflict of interest information accurately will subject you to disciplinary action, including discharge from County service.

Employee Signature: Date:

I have reviewed the information above and discussed it with the employee. We have agreed to resolve the situation in the following way in order to best protect the interest of the County:

Three horizontal lines for describing the resolution of the situation.

Immediate Supervisor's Signature: Date:

Division Head Approval: Date: