

NATIONAL COMMITTEE FOR QUALITY ASSURANCE

Policy on Conflicts of Interest For the Review Oversight Committee

Introduction

NCQA depends on the Review Oversight Committee (the “ROC”) to reach decisions objectively, without an actual or apparent conflict of interest. This Policy on Conflicts of Interest for the Review Oversight Committee (the “Policy”) is intended to address this need and to identify potential problem areas for ROC members (the “Members” or a “Member”). The Policy:

- (1) specifies the procedures to address and resolve apparent or actual conflicts of interest;
- (2) requires each Member to acknowledge in writing the review of the Policy;
- (3) requires the completion of a general Potential Conflict of Interest Disclosure Statement by each Member; and
- (4) requires the completion of a Conflict Certification with respect to each organization reviewed by a Member as a ROC participant.

A Member’s conflict of interest with a particular organization will disqualify the Member from participating in ROC decisions or deliberations regarding that organization. To this end, Members must refrain from participating in deliberations and decisions as to which they have a conflict of interest and must completely and accurately disclose any relationships, affiliations, transactions or other interests that could contribute to a perception of conflict. In some instances, a conflict of interest may disqualify a Member from further service on the ROC. For purposes of this Policy, the term “conflict of interest” means any financial or other interest that (1) could significantly impede, or reasonably be thought to impede, the Member’s objectivity or (2) could create a significant unfair competitive advantage for any person or organization with which the Member is associated.

Scope of Policy

This Policy applies to all organizations which seek accreditation or certification from NCQA, including managed care organizations (MCOs); Medicare + Choice organizations (M+COs); point of service plans (POSSs); preferred provider organizations (PPOs); managed behavioral healthcare organizations (MBHOs); credentials verification organizations (CVOs); physician organizations (POs); and disease management organizations (DMOs). This Policy also applies to all organizations which seek accreditation or certification from NCQA for certain functions or products, including disease management, utilization management, and credentialing.

ROC Members' Reporting Duty

In the selection of Members, potential conflicts of interest are considered by NCQA based upon available information. Individuals selected for the ROC must complete a "Potential Conflict of Interest Disclosure Statement" upon appointment to the ROC and on an annual basis thereafter. Any changes in the information supplied to NCQA or any new information relevant to the question of conflict of interest – e.g., new employment, new consulting relationships, new investments, indirect financial relationships, etc. – must be promptly reported to the Chair of the ROC and NCQA's Assistant Vice President, Accreditation, in accordance with this Policy.

Open Discussion of Conflicts of Interest

The ROC shall openly discuss the general question of conflicts of interest, bias and the relevant circumstances of each Member annually at the ROC's first regularly scheduled meeting, or as the need arises.

General Guidelines on Conflicts of Interest

Direct Financial Relationship. A Member shall not participate in any review of or decision about an organization where the Member has a direct financial relationship with that organization. A Member has a “direct financial relationship” with an organization if he or she:

- is or was a beneficial owner of more than one percent of the equity of the organization within two (2) years preceding the date of the organization’s review by NCQA;
- is or was an officer, director or trustee of the organization;
- is or was an employee or independent contractor of the organization within two (2) years preceding the date of the organization’s review by NCQA;
- engages or has engaged in the sale or lease of real estate or personal property to the organization within two (2) years preceding the date of the organization’s review by NCQA;
- furnishes or has furnished services or products to an organization within two (2) years preceding the date of the organization’s review by NCQA and/or the organization is a known target for presentation/solicitation by the Member to furnish services or products;
- has or had a creditor-debtor relationship with the organization within two (2) years preceding the date of the organization’s review by NCQA;
- receives or has ever received anything of value for performing his or her duties with respect to his or her review of an organization from anyone other than NCQA; or
- has confidential, insider, or proprietary information about an organization or is aware of any facts or circumstances that impair the Member’s impartiality with respect to the organization being reviewed.

Indirect Financial Relationship. A Member should not participate in any review or decision where the Member has an indirect financial relationship which could have a direct and substantial economic impact on the Member, or others with whom the Member is closely affiliated (e.g., employees, family or others). A Member has an “indirect financial relationship” with an organization if he or she:

- has or had within two (2) years preceding NCQA’s review of the organization a direct financial relationship (as defined above) with any other organization which offers independent products that compete with those offered by the organization to be reviewed by the ROC (“Competing Organization”). A product is considered to be offered “independently” if it is marketed as a freestanding service to other companies. *Example:* ABC HMO has a disease management function for its HMO. This function is not marketed to any outside organization. ABC HMO’s disease management function is not an independent product, and does not compete with disease management organizations.

- For purposes of this prohibition, HMO, PPO and POS products are considered to be Competing Organizations. A Member who has a direct financial relationship with an organization that markets its HMO, PPO, and POS products on a national basis shall not be considered to have a conflict with another organization under review if such Member does not participate in decision making or management at the national level, and does not have direct responsibility for a service area of a national organization in direct geographic competition with the organization to be reviewed.
- For purposes of this prohibition, organizations that offer an independent disease management, utilization management, or credentialing product or function are considered Competing Organizations with respect to organizations that independently offer the same product or function, even if the functions or products are offered in different service areas. *Example:* Organization #1 markets a diabetes disease management program to other companies on the West Coast. Organization #2 markets a diabetes disease management program nationally. Organization #1 and Organization #2 are in direct economic competition.
 - has a direct financial relationship with a corporate parent, affiliate, subsidiary or any other organization that has a direct financial relationship with the organization to be reviewed (“Interested Organization”); or
 - the Member’s family (brother, sister, child, spouse (or similarly close person), parent, or other family member) has a direct financial relationship with the organization to be reviewed, a Competing Organization, or an Interested Organization.

Code of Conduct and Other Conflicts of Interest

- A Member who participates in NCQA surveys shall abide by the Code of Conduct for NCQA Surveyors.
- Individuals who currently perform accreditation or certification surveys for NCQA’s competitors or for federal or state entities; provide consulting services to organizations in preparation for NCQA accreditation or certification; or advise organizations on interpretation of, and compliance with, NCQA standards will generally be deemed to have a conflict of interest that precludes them from ROC participation. NCQA may review individual circumstances on a case by case basis.
- A Member who surveys an organization for NCQA accreditation or certification cannot participate in any ROC decision with respect to such organization.
- A Member may not allow the prospect of future employment or remuneration from an organization to influence review of that organization.
- If a Member has participated in the ROC’s final review of an organization’s accreditation or certification status, the Member may not personally solicit that

organization to purchase services or products, directly or indirectly, for twelve (12) months following the final review.

- For a period of two (2) years after the date of a Member's final review of an organization, a Member should not voluntarily participate (other than as a party in interest) in any lawsuit or administrative hearing that involves or is reasonably likely to involve NCQA standards, programs, services, policies, rules or regulations. If a Member receives a subpoena in connection with a lawsuit or administrative hearing, the Member should immediately notify NCQA's General Counsel.

Access to Confidential Information

ROC Members will have access to sensitive information and data regarding organizations reviewed by the ROC. Members may use such information or data only for the purposes of ROC review or other purposes prescribed by NCQA. No Member shall use such information or data for the Member's direct or indirect economic benefit, or the benefit of any person or organization associated with the Member. No Member shall disclose such information or data to other individuals or to organizations without the permission of NCQA. The restrictions described above do not apply to information or data once it has entered the public domain.

Procedures for Addressing Conflicts of Interest

The following procedures shall be used to address and resolve conflicts of interest that may affect ROC Members:

1. Each Member shall file annually with NCQA a Potential Conflict of Interest Disclosure Statement. Each Member shall have a continuing obligation to disclose to the Chair of the ROC and NCQA's Assistant Vice President, Accreditation, any relationships or transactions that may arise and create potential conflicts of interest. Disclosure Statements shall be deemed confidential and shall not be disclosed outside NCQA without the Member's written permission. Disclosure Statements and information updates shall be maintained by NCQA's General Counsel. The General Counsel and NCQA staff shall review such information for potential conflicts of interest.
2. Prior to participating in a review and decision regarding a particular organization, the Member shall certify in writing (a "Conflict Certification") that such Member has no conflict of interest with the organization being reviewed.
3. Whenever a Member is unsure as to the existence of a conflict of interest, full disclosure shall be made to the Chair of the ROC and NCQA's Assistant Vice President, Accreditation. The Chair of the ROC shall make a recommendation to NCQA and NCQA shall make a final determination regarding the existence of a conflict of interest. If a conflict of interest exists, the Member shall not participate in any deliberation, review or vote regarding that organization.

4. If a conflict exists that will affect a Member's continued service on the ROC, the Member shall terminate the conflicting activity or association or resign from the ROC. If the Member fails to resolve the conflict, violates the Surveyor Code of Conduct, or violates this Policy, the Member may be removed from the ROC by NCQA.

I have read the foregoing statements regarding indirect and direct financial relationships with organizations to be reviewed, and other relationships that may affect my assessment of an organization to be reviewed.

Signature of Member

Date