

## **PARTNERS HEALTHCARE SYSTEM, INC.**

### **Policy on Consulting and Other Outside Activities**

#### **I. Policy**

This Policy on Consulting and Other Outside Activities establishes rules for acceptable outside activities for individuals associated with Partners HealthCare System, Inc. and its affiliates. Consulting and other outside activities can benefit both the individuals associated with Partners as well as Partners itself by fostering the exchange of knowledge and information that leads to advances in medical care and other benefits. However, these activities can also interfere with an individual's primary professional obligations, create conflicts of interests, involve inappropriate use of institutional resources, and otherwise generate legal compliance risks for the individual and Partners. This Policy establishes the terms for acceptable outside activities to ensure that the benefits of these activities can be realized while avoiding the potential problems.

#### **II. Application**

This Policy applies to all Covered Individuals (capitalized terms are defined below). It governs all outside activities of Covered Individuals, including those with Outside Entities, whether termed "consulting" or otherwise and whether or not entered into under a Written Agreement.

#### **III. Definitions**

- A. Committee: The Partners Professional and Institutional Conduct Committee.
- B. Covered Individuals: Medical/Professional Staff Members and Employee Members.
- C. CSRL: The Partners Office of Corporate Sponsored Research and Licensing.
- D. Goods or Services: Examples of entities that may provide Goods or Services to Partners include not only companies that sell or distribute medical or pharmaceutical equipment, supplies or services, but also entities that provide non-medical goods and services including, for example, clerical supplies, computer hardware and software, kitchen supplies, office equipment and legal, financial, accounting, advertising, consulting, or real estate brokerage services.
- E. Health Care Related Goods or Services: Examples of entities that are involved in providing Health Care Related Goods or Services include entities that provide patient care and ancillary services in any setting (including hospital, clinic, nursing home, retirement community, hospice, free standing and home care); health insurance; laboratory services; biomedical or scientific research; or medical

or allied health education; and entities that are involved in health regulation or any other activity in which Partners is engaged or is likely to be engaged.

- F. Medical/Professional Staff Members: Individuals who are members of the medical or professional staffs of any Partners hospital who have full- or part-time academic appointments at Harvard Medical School or who are employed full- or part-time by a Partners entity.
- G. Employee Members: Administrative staff, nurses, support personnel, and other full- or part-time employees of a Partners entity who are not Medical/Professional Staff Members.
- H. OGC: The Partners Office of General Counsel.
- I. Oral Agreement: Any arrangement relating to an Outside Activity that is not the subject of a Written Agreement.
- J. Outside Activity: Any activity that is not performed as part of your Partners responsibilities and either (i) draws on your expertise relating to your responsibilities at Partners (provided it is an activity for which you are paid), or (ii) is with an Outside Entity that (a) provides, has provided or is likely to provide Goods or Services to Partners or (b) is involved in providing Health Care Related Goods or Services.
- K. Outside Entity: Any corporation, foundation or other entity or organization that is not a Partners entity, including any governmental entity.
- L. Partners: Collectively, Partners HealthCare System, Inc. and all of its affiliates.
- M. Supervisor: The individual to whom a Covered Individual reports. In the case of Medical/Professional Staff Members who do not report directly to a Chief of Service or Chairman of Department, “Supervisor” shall in addition include the relevant Chief of Service or Chairman of Department. For Chiefs of Service or Chairmen of Department, the Supervisor shall mean the Chief Executive Officer of his/her Partners entity.
- N. Written Agreement: A written agreement between a Covered Individual and an Outside Entity setting forth the terms of an arrangement relating to an Outside Activity.

#### **IV. Other Policies**

Covered Individuals should be aware that they are subject to and must comply with several other related policies, including but not limited to:

- The Partners HealthCare System *Code of Conduct (Including Conflicts of Interest Policy)*;
- For Medical/Professional Staff Members with faculty appointments at Harvard Medical School, the *Faculty of Medicine Harvard University Faculty Policies on Integrity in Science*;
- The Partners HealthCare System *Policy on Interactions with Pharmaceutical and Medical Device Companies*; and
- The *Intellectual Property Policy for Partners-Affiliated Hospitals and Institutions*.

## V. **Requirements for Outside Activities**

All activities of a Covered Individual that are not performed as part of a Covered Individual's Partners responsibilities must be undertaken so as not to interfere with the primacy of a Covered Individual's Partners responsibilities. In addition, all Outside Activities must conform to the following requirements:

- A. **Written Agreement.** All Outside Activities with Outside Entities that provide, have provided or are likely to provide Goods or Services to Partners (including, without limitation, all pharmaceutical and medical device companies) must be conducted pursuant to a Written Agreement that is signed by all of the parties, unless it is not feasible to enter into a Written Agreement and the arrangement is not likely to generate legal compliance risks. Covered Individuals are strongly encouraged to enter into Written Agreements for all other Outside Activities in order to protect their own interests and avoid disputes.
  
- B. **Time.** The total time commitment of all Outside Activities of a Covered Individual must not interfere with his/her Partners responsibilities. In order to facilitate tracking compliance with this requirement, each Written Agreement must contain sufficient evidence that the committed time will be within allowable limits, preferably by specifying the maximum number of days committed through that Written Agreement.
  1. **Medical/Professional Staff Members:** For full-time Medical/Professional Staff Members, the maximum allowable amount of time that may be spent on Outside Activities is 20% of the Medical/Professional Staff Member's professional time (fifty two business days per year). This represents an upper limit on the amount of time spent on Outside Activities; Medical/Professional Staff Members are not automatically entitled to the full 20% and Supervisors have the authority to further limit the time spent on Outside Activities by Medical/Professional Staff Members. Part-time Medical/Professional Staff Members are allowed to spend such amount of time on Outside Activities as is acceptable to the Supervisor.
  
  2. **Employee Members:** Full-time Employee Members are expected to devote their full professional time, energy, loyalty and commitment to Partners. However, a limited amount of Outside Activities may be

allowable with the approval of and with the conditions as may be imposed by the individual's Supervisor in his or her judgment. Part-time Employee Members are allowed to spend such amount of time on Outside Activities as is acceptable to their Supervisors.

- C. Compensation. This Policy places no specific limits on the amount of compensation that may be provided under a Written Agreement or an Oral Agreement.
1. Fair Market Value. Compensation received by Covered Individuals for consulting or other Outside Activities must be fair market value for the services provided by the Covered Individual. Any amount in excess of fair market value is prohibited under the Partners Code of Conduct as an inappropriate gift or gratuity (subject to a very small *de minimis* exception). See the section in the Partners Code of Conduct on "Gifts, Gratuities, and Other Outside Remuneration." Any compensation paid by an Outside Entity in excess of the fair market value of services rendered may also raise issues under state and federal anti-kickback laws.
  2. Set In Advance. The aggregate compensation or the compensation methodology for consulting or other Outside Activities should be set in advance.
- D. Arms-Length. Both Written Agreements and Oral Agreements must be negotiated at "arms-length" and may not take into account the "volume or value" of referrals or other business generated between or among Partners, the Covered Individual and the Outside Entity.
- E. Compliance with Law. Outside Activities must not involve the counseling or promotion of a business arrangement prohibited by law.
- F. Use of Partners Facilities. Outside Activities must not make substantial use of any space, facilities, materials or other resources of Partners including resources provided in-kind by outside sources. The use of office space and word processors, either alone or together, shall not be considered a "substantial use" of resources.
- G. Use of Name. Outside Activities must be conducted so as to prohibit any Outside Entity from using the name of the Covered Individual or the name in any form or logo of any Partners entity in any advertising, promotional or other public material without the prior written approval of the Covered Individual or Partners, as applicable. In the case of Oral Agreements, the Covered Individual shall be responsible for informing the Outside Entity that it has no right to use the name or logo of any Partners entity in any way as a result of any relationship with the Covered Individual. Every Written Agreement shall affirmatively state that the Outside Entity does not have the right to use the name of the Covered Individual

nor the name in any form or logo of any Partners entity without the prior written approval of the Covered Individual or Partners, as the case may be. Notwithstanding the foregoing, an Outside Entity may use the name of a Partners entity without the prior written approval of Partners to identify any position or title the Covered Individual holds at Partners or to identify the Covered Individual as a Medical/Professional Staff member at a Partners hospital in a manner that does not imply endorsement or responsibility for the Outside Activity or Outside Entity involved (or any of the Outside Entity's products or services) by the Partners entity.

- H. Executive Positions. Medical/Professional Staff Members with appointments at Harvard Medical School must comply with the Faculty of Medicine Harvard University *Policy on Conflicts of Interest and Commitment*, including its restriction on the ability of Medical/Professional Staff Members with full time appointments to hold executive positions with Outside Entities.
- I. Services. Written Agreements should clearly specify all of the services to be provided by the Covered Individual.
- J. Field of Activity. For Covered Individuals conducting research at or through Partners, Written Agreements must specify the field of the Covered Individual's services in order to assure appropriate management of any conflicts caused by the overlap between the activities conducted under the Written Agreement and activities conducted at or through Partners. If the field of a proposed Written Agreement overlaps with the field of research conducted by the Covered Individual at or through Partners, then the following additional requirements apply:
  - 1. If the Covered Individual's research at Partners is sponsored by the Outside Entity with which the Covered Individual is entering into the Written Agreement, then the intellectual property provisions of the Written Agreement must not be so broad as to grant to the Outside Entity ownership of or other rights in any intellectual property that may arise from or relate to the sponsored research agreement between the Outside Entity and Partners. CSRL may determine, however, that it is acceptable to grant the Outside Entity a more limited scope of rights to intellectual property arising solely out of consulting activities that are specifically and clearly distinguishable from the Partners-based research conducted under the sponsored research agreement.
  - 2. If the Covered Individual's research at Partners is sponsored by another for-profit entity, then before approving the Written Agreement, Partners shall ensure that the sponsor and the Outside Entity that is party to the Written Agreement each are aware of and approve of the Covered Individual proceeding with activities for both. This will usually require a

process of defining the scope of the consulting activities so that the overlap is minimized.

3. If the Covered Individual's research at Partners is sponsored by the Public Health Service, National Science Foundation, the American Heart Association, or any other entity with its own policies regarding conflicts of interest, then the Covered Individual shall make appropriate disclosure to Partners and Partners shall handle the disclosure, all in accordance with policies and regulations of these entities and Partners.

K. Exclusivity or Non-Compete Provisions. Written Agreements must not restrict in any way the ability of the Covered Individual to conduct research, education, patient care, or administrative activities at or through Partners. A Written Agreement must not restrict a Covered Individual's right to serve as an advisor to any professional society or to any governmental organization. A Covered Individual shall be free, however, to accept restrictions limiting the Covered Individual's right to undertake other activities for another Outside Entity, so long as it is clear that those restrictions do not apply to research supported by that Outside Entity at or through Partners.

L. Intellectual Property. Written Agreements must not grant to any Outside Entity rights to intellectual property that are assigned or assignable to Partners under its Intellectual Property Policy, except that CSRL may, in accordance with provisions of the applicable Partners entity's Intellectual Property Policy,<sup>1</sup> agree to grant the Outside Entity rights in certain "Related Inventions" and "Related Software" made in the performance of the consulting or other Outside Activities.

M. Disclosure of Unpublished Results of Partners Research. Written Agreements must not require that a Covered Individual give an Outside Entity any priority or advantage in gaining access to any unpublished research information or any intellectual property that arises from research performed by the Covered Individual or others at or through Partners.

N. Confidentiality.

1. Written Agreements must not limit or restrict a Covered Individual's ability to use or publish the results of research, education, patient care or other activities performed at or through Partners.
2. Written Agreements may impose confidentiality obligations on information, data, and other results generated by the Covered Individual under the Written Agreement, and on information provided to the Covered Individual by the Outside Entity, provided that the confidentiality obligation contains appropriate "carve-outs" for information already known to or separately received by or separately developed by the

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<sup>1</sup> For BWH and MGH, the relevant provisions as of the date of this Policy are Sections 5.2.2.1 and 8.2.3.1.

Covered Individual, and information required to be disclosed pursuant to laws, regulations or legal process. Outside Entities should be required to specifically identify confidential information to Covered Individuals and any confidentiality obligations imposed on a Covered Individual should be for a limited time period.

## **VI. Process for Institutional Review of Outside Activities of Medical/Professional Staff Members**

- A. Written Agreements - Review by CSRL (and Supervisors upon Referral by CSRL). Medical/Professional Staff Members' Written Agreements must be reviewed and approved by CSRL (and the Medical/Professional Staff Member's Supervisor in the event the Written Agreement is referred to the Supervisor by CSRL) in accordance with this Section.
1. Review by CSRL of Written Agreements. Before accepting or signing any proposed Written Agreement, amending a Written Agreement, or renewing a modified version of a Written Agreement, a Medical/Professional Staff Member shall disclose it to CSRL for review and approval.<sup>2</sup> All Written Agreements shall be submitted to the Director, CSRL.<sup>3</sup>
    - a. CSRL Review. CSRL shall review all proposed Written Agreements to ensure that they comply with the requirements of Section V above.
    - b. Referral for Supervisor Review. CSRL shall, in addition, seek Supervisor review and approval of all proposed Written Agreements that create heightened concern of interference with the primacy of the Medical/Professional Staff Member's Partners responsibilities. Factors that would create heightened concern include:
      - i. High Compensation: Any Written Agreement that contains substantial monetary or equity compensation must be reviewed by the Individual's Supervisor. For ease of administration, the Committee shall have the right to determine from time to time the compensation thresholds above which Supervisor approval is required. At the time of adoption of this Policy, Supervisor approval shall be

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<sup>2</sup> The only exception is for Written Agreements of Presidents and Chief Executive Officers, which shall be submitted to the Office of General Counsel rather than to CSRL. OGC shall review such Agreements in consultation with the Chairman of the Board of Trustees or Directors, and/or the President of Partners, and/or the Chairmen of the Professional and Institutional Conduct Committee, as determined appropriate in the circumstances.

<sup>3</sup> Written Agreements in place at the time of the adoption of this Policy but not previously reviewed and approved by CSRL must be submitted to CSRL for review and approval before any amendment or renewal.

sought when cash compensation exceeds \$30,000 per year or the equity (including stock options) is valued at more than \$30,000 or consists of more than 1% of the equity in a company. Supervisors may, however, wish, and shall have the authority, to set lower thresholds for Supervisor review of Agreements for Individuals reporting to them.

- ii. Fiduciary Obligation. Any Written Agreement that contains a fiduciary obligation to the Outside Entity must be reviewed by the Individual's Supervisor.

This list of factors is not exclusive; other unusual provisions or circumstances (including, without limitation, multiple simultaneous Written Agreements) may also warrant Supervisor review of a particular Written Agreement. In the case of Written Agreements for Chiefs of Service or Chairmen of Departments, CSRL simultaneously shall provide information regarding the Written Agreements to the OGC and the Chief Executive Officer of the applicable Partners entity, and OGC shall advise the Chief Executive Officer on the disposition of these Written Agreements.

2. Review by CSRL of Pre-Existing Written Agreements of New Medical/Professional Staff Members. Each newly appointed or newly employed Medical/Professional Staff Member shall be responsible for submitting to CSRL all pre-existing Written Agreements that will remain in effect after the Medical/Professional Staff Member begins work at Partners. This shall be done sufficiently in advance of the commencement of the Medical/Professional Staff Member's appointment or employment to allow CSRL to address any potential conflict between the terms of those pre-existing Written Agreements and this Policy. Each Medical/Professional Staff Member's Chief of Service/Chairman of Department shall be responsible for ensuring that new Medical/Professional Staff Members fulfill this obligation.
3. Review by Supervisors of New Written Agreements. Supervisors shall review all proposed new Written Agreements referred to them by CSRL pursuant to section VI.A.1.b. above.

- B. Oral Agreements – Review by Supervisor of Certain Oral Agreements. If an Oral Agreement involves factors that create heightened concern of interference with the primacy of the Medical/Professional Staff Member's Partners responsibilities, the Oral Agreement must be reviewed and approved by the Medical/Professional Staff Member's Supervisor before the Medical/Professional Staff Member engages in the Oral Agreement. Factors that would create heightened concern include any substantial monetary or equity compensation (as described under Section VI.A.1.b.i. above), any fiduciary obligation to the Outside Entity,



multiple simultaneous Oral Agreements, and unusual provisions or circumstances. Supervisors may contact the OGC with questions regarding their review and approval of such Oral Agreements.

- C. All Outside Activities Subject to Substantive Requirements of This Policy. All Agreements for Outside Activities, whether written or oral and whether requiring any supervisor or other institutional review, remain subject to the relevant “Requirements” provisions of this Policy as described in Section V and the requirements of other relevant institutional policies.
- D. Disclosure of Outside Activities. All Outside Activities must be disclosed on a periodic basis in accordance with Section X below.

## **VII. Process for Institutional Review of Outside Activities of Employee Members**

- A. Written Agreements that Involve Research Activities or Grants of Intellectual Property Rights – Review by CSRL (and Supervisors upon Referral by CSRL). Any Written Agreement of an Employee Member that involves the performance of research activities or the grant or transfer to the Outside Entity of intellectual property rights shall be submitted to CSRL for prior review, which review shall be conducted in accordance with Section VI.A. above.
- B. Other Written Agreements – Review by Supervisors. Written Agreements of Employee Members that involve neither the performance of research activities, nor the grant or transfer to the Outside Entity of intellectual property rights must be submitted to the Employees Supervisor for prior review and approval only if:
  - 1. The Employee involved is in a non-clinical professional position or has significant management responsibilities;
  - 2. The Agreement creates heightened concerns of interference with the primacy of the Employee’s Partners responsibilities; or
  - 3. The Supervisor otherwise requires such review.

For such agreements, the Supervisor shall review the Written Agreement to ensure that it complies with the requirements of Section V above. Factors that would create heightened concern include any substantial monetary or equity compensation (as described under Section VI.A.1.b.i. above), any fiduciary obligation to the Outside Entity, multiple simultaneous Agreements, and unusual provisions or circumstances. Supervisors may contact the OGC with questions regarding their review and approval of such Written Agreements.

- C. Oral Agreements – Review by Supervisor of Certain Oral Agreements. Oral Agreement of Employee Members must be submitted to the Employee’s Supervisor for prior review and approval only if:

1. The Employee involved is in a non-clinical professional position or has significant management responsibilities;
2. The Agreement creates heightened concerns of interference with the primacy of the Employee's Partners responsibilities; or
3. The Supervisor otherwise requires such review.

For such agreements, the Supervisor shall review the arrangement to ensure that it complies with the requirements of Section V above. Factors that would create heightened concern are the same as described in section VII. B. above. Supervisors may contact the OGC with questions regarding their review and approval of such Oral Agreements.

- D. All Outside Activities Subject to Substantive Requirements of This Policy. All Agreements for Outside Activities, whether written or oral and whether requiring any supervisor or other institutional review, remain subject to the relevant "Requirements" provisions of this Policy as described in Section V and the requirements of other relevant institutional policies.
- E. Disclosure of Outside Activities. All Outside Activities of certain Employee Members must be disclosed on a periodic basis in accordance with Section X below.

### **VIII. Additional Provisions Related to Supervisor Review**

- A. Independent Supervisor Review and Authority. Supervisors have the right to review any and all Written Agreements and Oral Agreements of Covered Individuals who report to them. Supervisors have the right and authority to disapprove any Written Agreement or Oral Agreement if in the Supervisor's judgment the amount of time, the amount of compensation, or other factors, would interfere with the primacy of the Covered Individual's Partners responsibilities or would create significant legal compliance risk for Partners.
- B. Considerations in Supervisor Review.
  1. Seniority of Covered Individuals. In reviewing and deciding whether to approve Written Agreements or Oral Agreements, Supervisors may take into account the level of seniority, authority and administrative responsibilities held by the Covered Individuals. Supervisors may determine that particular Written Agreements or Oral Agreements are not appropriate or choose to place greater overall restrictions on the Written Agreements or Oral Agreements of senior Covered Individuals (for example by limiting the amount of time devoted to Outside Activities, or the amount of compensation received).
  2. Assistance from the Office of General Counsel and Potential Review by the Partners Professional and Institutional Conduct Committee.

Supervisors may, in their discretion, request the assistance of the OGC in reviewing any Written Agreements or Oral Agreements, and are encouraged to do so. While, as described in Section VIII.A. above, Supervisors have the authority on their own to disapprove a Written Agreement or Oral Agreement, the OGC and a Supervisor together may decide, in cases raising heightened concern or unusual circumstances, to bring a case for review by the Committee.

- C. Unresolved Issues. To the extent any issue reviewed by a Supervisor is not resolved in the normal course of business, the Chief Medical Officer shall have the authority to resolve the issue. In the event any such issue involves research activities, the Chief Medical Officer shall consult with the chief research officer of the respective Partners entity.

## **IX. Institutional Review vs. Personal Review**

Covered Individuals should be aware that review by Partners of their Written Agreements or Oral Agreements is not being done on behalf of the Covered Individual and does not substitute for review by the Covered Individual's private counsel.

## **X. Disclosure of Outside Activities, and Financial and Fiduciary Interests**

- A. Disclosure Regarding Outside Activities. Every Medical/Professional Staff Member, and every other Covered Individual who is an officer or executive, or who is identified by the Chief Executive Officer or the General Counsel of Partners or the President or Chief Executive Officer of each Affiliated Corporation, or any of their designees, must disclose their Outside Activities on a periodic basis by submission of a disclosure form listing the Outside Activities and attesting to their compliance with this Policy and other relevant policies, as applicable, including the Partners HealthCare System, Inc. *Code of Conduct (Including Conflicts of Interest Policy)* and the Faculty of Medicine Harvard University *Policy on Conflicts of Interest and Commitment*, (the "Disclosure"). The Disclosure must be in the form attached hereto.
- B. Compliance with Other Disclosure Requirements. All Covered Individuals must comply with the disclosure requirements of the Partners HealthCare System, Inc. *Code of Conduct (Including Conflicts of Interest Policy)*. In addition, Medical/Professional Staff Members who have Harvard Medical School appointments must comply with the disclosure requirements of the Faculty of Medicine Harvard University *Policy on Conflicts of Interest and Commitment*, including its requirement of disclosure to members of that Medical/Professional Staff Member's laboratory (and prospective students, trainees and new faculty) of any financial interests that bear on the research interests of the members, or prospective members, of the laboratory.

## **XI. Implementation and Enforcement**

- A. Implementation. All Partners entities must establish mechanisms to ensure that this policy is distributed to and reviewed by all Covered Individuals.
- B. Enforcement. Covered Individuals who violate this policy shall be disciplined in accordance with the applicable Partners entity's human resources policies and/or Medical/Professional Staff bylaws. Violations of this policy should be reported to the Partners Corporate Compliance Department.
- C. Exemptions. The Partners Professional and Institutional Conduct Committee ("PICC") may, from time to time, determine that certain types of Outside Activities and/or Outside Activities with certain types of Outside Entities do not implicate the legal, ethical or other concerns underlying this Policy. In that event, PICC shall have the discretion to exempt Covered Individuals from the review and/or disclosure requirements of this Policy with respect to those Outside Activities and/or Outside Entities. A list of any such exemptions shall be available from CSRL and the Compliance Officer for each Partners institution, and shall be available on the Partners intranet.

## **XII. Questions:**

Medical/Professional Staff Members should direct questions concerning this policy to CSRL. Employee Members should direct questions concerning this policy to the Compliance Officer for their Partners institution.

Final Approval by  
The Partners Professional and Institutional Conduct Committee  
May 4, 2005  
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