

Rule No. 560-x-62-.08 Conflict of Interest Policy for Directors and Officers of Regional Care Organizations – NEW RULE

- (1) A regional care organization (RCO) and an organization with probationary RCO certification shall adopt a conflict of interest policy for directors and officers. The conflict of interest policy shall require all directors and officers to conduct their activities as directors or officers so that they do not advance or protect their own interests, or the interests of others with whom they have a private or professional relationship, in a way that is detrimental to the interests of, or to, the RCO or organization with probationary RCO certification, and the conflict of interest policy shall provide for the removal of any director or officer whose conduct violates such policy. The conflict of interest policy shall require each director and officer to disclose in a written statement all employments, associations, commitments and financial interests within the preceding two years on the part of the director or officer, or his or her immediate family member, including spouse, dependents, adult children and their spouses, parents, spouse's parents, siblings and their spouses, that could reasonably be perceived, directly or indirectly, as a conflict of interest with the RCO or organization with probationary RCO certification. The statement shall also disclose whether the director or officer or his or her immediate family member as described in the preceding sentence is a current or former employee of, consultant with, or lobbyist for the Medicaid Agency. Each director and officer shall file such disclosure statement with the RCO's or organization's board of directors and the Medicaid Agency on an annual basis.
- (2) The conflict of interest policy must also:
 - (a) Require each director or officer to disclose relevant financial interests;
 - (b) Provide a procedure to determine whether a conflict of interest exists and set forth a process to address any conflicts that arise; and
 - (c) Address remedial action for directors or officers that fail to comply with the policy.
- (3) A RCO and an organization with probationary RCO certification and each of its directors and officers must complete and submit to the Medicaid Agency the Disclosure Statement required by Act 2001-955 prior to the RCO entering into a contract with the Medicaid Agency.
- (4) All employees and agents of the Medicaid Agency who have responsibilities relating to contracts with a RCO or an organization with probationary RCO certification must comply with applicable provisions of the state ethics laws including, but not limited to, Sections 36-25-5, -7, -8, -11, -12, and -13 of the Alabama Code.
- (5) The Medicaid Agency may require a RCO or an organization with probationary RCO certification and each of its directors and officers to comply with additional conflict of interest requirements and policies the Medicaid Agency determines to be necessary to satisfy State and Federal requirements or necessary to address issues of noncompliance with the requirements of this Conflict of Interest Rule.

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Statutory Authority: Code of Alabama, 1975 Section 22-6-150 et seq.

History: New Rule: Filed May 20, 2014.