American Medical Association conflict of interest principles - Board of Trustees, officers and senior managers

The Board of Trustees has requested advice in interpreting the AMA's Conflict of Interest Policy. These Principles discuss potential conflicts that may arise out of a Trustee's affiliation with other organizations. Specific areas of concern include when disclosure of an affiliation is necessary, when recusal from voting is appropriate, and when resignation from either the AMA Board or the other organization may be required.

The duty of loyalty

The issues raised by the Board relate to the fiduciary duty of loyalty owed by a trustee to the organization he or she governs. The duty of loyalty is a broad concept, requiring a trustee to act in the best interest of the organization. A conflict of interest arises when a trustee has an interest that conflicts with the interest of the organization.

Both business corporation statutes and not-for-profit corporation statutes address only one narrow aspect of conflicts of interest. The statutes define the duty of a director or trustee who has a direct financial interest in a specific transaction that comes before the board. These statutes govern when the director or trustee is a party to the transaction, or is an officer, director or partner of an entity that is a party to the transaction. The statutes require the director or trustee to disclose his or her interest. The transaction is valid if the interest has been disclosed, and if a majority of the non-interested directors or trustees approve the transaction. A majority of state statutes, including Illinois, also require that the approved transaction be "fair" to the corporation.

The duty of loyalty has been the subject of considerable discussion among legal and business experts over the past several years. Discussions have centered principally on the duty of directors of for-profit corporations. Increased shareholder activity and complexity of corporate transactions, such as corporate takeovers, have resulted in heightened concern over directors' possible conflicts of interests. Despite the increased attention to this issue, the focus has remained on the direct financial interests of the directors in transactions under consideration by the board. Even on this limited issue scholars disagree on material provisions, including the types of financial interest that constitute a conflict of interest.
conflict, and the standards that must be met before a transaction is considered valid. Projects that have been initiated to review the existing state of law and to draft guidelines have not reached consensus.

Although the statutes and commentaries address this rather narrow conflict of interest situation, a Trustee's fiduciary duty of loyalty is more comprehensive. A conflict of interest may arise out of non-financial interests of a Trustee, or an affiliation a Trustee may have with another organization. In general, the duty of loyalty requires a Trustee to act in the best interest of the organization, without regard to his or her personal benefit. Further, if a Trustee has an affiliation with an organization that has an interest, financial or non-financial, in any matter that comes before the Board, the Trustee cannot place the interests of the other organization above the interests of the AMA. In considering the matter, the Trustee must act in the best interest of the AMA rather than the other organization.

This fiduciary duty also extends to the Speaker and Vice Speaker of the House of Delegates, as they are elected Officers. These Officers must also act in the best interest of the AMA rather than any other organization with which they are affiliated. The Conflict of Interest Policy has been amended to specifically apply to these Officers, and the recommendations set forth below shall apply to these Officers as they apply to Trustees.

Although not elected, Senior Managers are also expected to serve the best interests of the AMA. Conflicts of interest may arise from Senior Managers’ affiliations with other organizations, or from other personal activities. It is important for the Board of Trustees to be aware of any affiliations or activities which may raise conflicts, as Senior Managers are responsible for advising the Board and making recommendations on AMA policies and activities. To insure that all individuals participating in AMA decisions are governed by consistent guidelines, the Conflict of Interest Policy has been extended to apply to AMA Senior Managers. "Senior Managers" shall include the Executive Vice President, Deputy Executive Vice President, Chief Operating Officer, General Counsel, Chief Financial Officer, Senior Vice Presidents and any Vice President who reports directly to the EVP or to the Deputy EVP. All other AMA employees are subject to the AMA's Employee Conflict of Interest Policy.

The recommendations and restrictions described in these Principles should be used as guidelines in resolving conflicts of interests of Senior Managers, to the extent they are applicable.

**Handling conflicts of interests**

Members of the Board of Trustees and Officers have certain obligations they must fulfill to insure that a Trustee's or Officer's conflict of interest does not harm the interests of the Association:
Disclosure

A Trustee or Officer who has an interest in a matter under consideration by the board must disclose all material information regarding his or her interest. Any personal interest or affiliation with another organization should be disclosed, e.g. employment or consulting arrangements, and memberships on board of Trustees or councils. Disclosure benefits the Trustee and Officer, as it provides a certain level of protection for the Trustee and Officer from a claim of breach of fiduciary duty. Disclosure also provides notice to the other Board members of the Trustee’s or Officer’s interest and potential bias.

Obligations of the Interested Trustee

The interested Trustee or Officer must act in the best interest of the Association. If the Trustee's or Officer's personal interest or affiliation with another organization does not prevent the Trustee or Officer from fairly evaluating the matter before the Board, the Trustee or Officer may participate in the Board's actions. If the Trustee's or Officer's interest will cause the Trustee or Officer to take action or to try to influence other Board members to take action that would benefit the Trustee or Officer, or the organization the Trustee or Officer is affiliated with, the Trustee's or Officer's participation in Board actions should be limited. Specifically, the Trustee should excuse himself or herself from discussion and/or vote, and the Officer should excuse himself or herself from discussion. In certain circumstances, it may be appropriate for the Trustee or Officer to resign from either the AMA or the other organization with which he or she is affiliated.

Obligations of the non-interested Trustees

Each Board member has an obligation to evaluate the opinions and recommendations made by an interested Trustee or Officer in light of the interest such Trustee or Officer holds. If a Trustee or Officer has an interest arising out of an affiliation with another organization, the Board members should consider that such Trustee or Officer may be biased by his or her affiliation. Usually, an awareness of this possible bias coupled with the ability of the non-interested Trustees to fairly evaluate the matter under consideration and to outvote the interested Trustee is sufficient to insure that the best interests of the AMA are served. If the Board members believe that a Trustee's or Officer's interest may result in the approval of a policy or the undertaking of activity that is not in the best interest of the AMA, the Board members may raise concerns and attempt to resolve this conflict.

Examples of potential conflict of interest situations and recommended actions are set forth below. While these examples are intended to provide guidance in resolving conflicts, it is not possible to identify every potential conflict of interest situation. Therefore, these recommendations include a procedure intended to identify and resolve conflicts. Under this procedure, the Trustees and Officers are required to disclose their personal interests and affiliations with other organizations, and the entire
Board of Trustees is informed of these affiliations and participates in resolving conflicts which arise out of such affiliations.

Examples of conflicts of interest

There is little guidance provided by the courts and legal and business experts in resolving conflicts arising out of affiliations with other organizations. However, concepts underlying the conflict of interest statutes and concerns raised by commentators provide a framework for analyzing potential conflict of interest situations and suggesting appropriate resolutions.

The following are examples of possible affiliations which may raise conflict of interest concerns, and recommendations for resolution of such conflicts. For purposes of these examples, the term "Trustee" shall also refer to Officers and, where applicable, Senior Managers of the AMA.

In general, the recommendations can be summarized as follows:

- Affiliations with organizations with conflicting goals should be avoided.
- Affiliations with organizations that do not have a financial interest in an AMA policy are generally permissible.
- Affiliations with organizations that have a financial interest in an AMA policy, or that have competing business activities, raise concerns. Public advocacy and political activities also raise concerns. In these situations, limitations on a Trustee's affiliation or on participation in AMA Board actions may be appropriate.

The examples are intended to provide preliminary guidance to the Board in assessing potential conflict situations. The examples may be adapted to address situations not specifically described in these Principles.

A. Position As An Officer, Trustee or Council or Committee Member With Another Organization.

AMA encourages participation on the Boards of Trustees and councils or committees of other organizations. The AMA also recognizes that AMA Trustees may hold officer positions in other organizations. Participation in policy-making positions of other organizations is frequently beneficial to the AMA, as Trustees gain expertise and form relationships which help further the AMA's goals.

Conflicts of interest arise from these affiliations when decisions intended to further the best interests of each organization conflict. In resolving these conflicts, the predominate concern is insuring that the Trustee's actions in fulfilling his or her fiduciary duties to another organization do not cause the Trustee to violate his or her fiduciary duties to the AMA.

The reputation of any organization can be impacted by the degree of current controversy or increased
public scrutiny. The AMA recognizes that this may change over time. As the AMA strives to maintain the trust of the public and the medical profession, trustees’ affiliations with other organizations should take this factor into account.

**Conflicting organizational goals**

Principle: A Trustee would be unable to act in the best interests of the AMA and another company if the fundamental goals of the two organizations were in conflict. Acting in the best interest of one organization would necessarily mean breaching the duty of loyalty owed to the other organization. In these situations, the Trustee should resign from one of the organizations.

Example 1: Trustee is elected to the Board of directors of a tobacco company.

Recommendation: Acting to further the goals of the tobacco company would prevent the Trustee from acting to further the AMA's goals on public health. The Trustee should resign from one of the positions.

**Conflicting goals on major policy issue**

Principle: A Trustee may hold a position with an organization that generally strives to reach the same public health goals as the AMA. The organizations can be expected to hold different positions on certain issues from time to time. Conflicts arising from an occasional difference in policy can be resolved, as discussed in the following sections. However, differences in policy on major issues, such as health system reform, may warrant special consideration.

Example 2: Trustee is on the Board of Trustees of an insurance company. The insurance company supports a health system reform proposal that differs from the proposal supported by the AMA.

Recommendation: Unlike Example 1, in this example the fundamental public health goals of the organizations are related. However, there is a difference on a significant policy issue.

Major policy positions define the goals of an organization. A Trustee may vote against a particular major policy position; however, if that position is approved by the Board, and if the Trustee remains on the Board, then the Trustee is obligated to support this major policy position.

Differences in major policy positions of the AMA and other organizations would require a Trustee to support conflicting positions. Under these circumstances, a Trustee could not fulfill his or her fiduciary obligations to each organization, and, accordingly, should resign from one of the positions.

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As shown in this example, however, it may be difficult to determine which policy issues are "major" policy issues sufficient to result in a Trustee's resignation. The Board may designate certain issues as major policy issues, or the Board may decide on a case by case basis whether the position of an organization with which a Trustee is affiliated is in such conflict with AMA’s policy that the Trustee should resign.

**Organizations without a financial interest in an AMA policy**

Principle: A Trustee may hold a position with a medical society or other organization that addresses issues similar to those issues addressed by the AMA Board. If the medical society or other organization does not have a direct financial interest in an AMA policy, a Trustee's affiliation with such organization normally will not interfere with the Trustee’s obligations to the AMA.

Example 3: Trustee is a member of the Board of Trustees of a medical specialty society. The specialty society has approved a policy on a specific issue that differs from the policy under consideration by the AMA Board.

Recommendation: The AMA encourages participation by its Trustees in other medical organizations. The organizations can be expected to approve different policies on specific issues from time to time. In this example, the specialty society does not have a financial interest in the matter before the AMA Board. While there may be a tangential benefit to the specialty society if the AMA approves a similar policy, the benefit is likely to be too remote to affect a Trustee’s judgment. Therefore, it is not likely that a Trustee will be unduly influenced by his or her affiliation with the specialty society, and the Trustee should be allowed to maintain his or her affiliation with the specialty society and participate in AMA Board actions on the issue. However, if there are indications that either the specialty society or the Trustee may derive a significant benefit from approval of a particular AMA policy, the Board may limit the Trustee’s participation.

**Organizations with a financial interest in an AMA policy or activity**

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Principle: This situation is very similar to the conflict of interest situations governed by conflict of interest statutes. Generally, a conflict is resolved by the Trustee’s recusal from voting on the matter subject to the conflict. However, affiliations with other organizations can be impacted by the degree of current controversy or increased public scrutiny, which can change over time. The Board of Trustees may, from time to time, determine that affiliations with specific organizations (or organizations within an industry segment) should not be permitted.

Example 4A: Trustee is a member of the Board of Directors of a medical device manufacturer. The AMA Board is considering a policy on the direct-to-consumer advertising of medical devices.

Recommendation: AMA’s policy would have a direct financial effect on the device manufacturer. As a Director of the manufacturing company, the AMA Trustee is required to pursue the financial benefit of the manufacturing company. This obligation would prevent the Trustee from considering the AMA policy objectively. The Trustee should not participate in the vote on this issue. The AMA Board may place limitations on the Trustee’s participation in discussion and access to information it deems confidential on this issue.

Example 4B: Trustee is a member of the Board of Directors of a pharmaceutical company.

Recommendation: The pharmaceutical industry has a significant presence in the current health care environment and issues considered by the Board may involve pharmaceutical interests. Policy decisions and other actions of the Board on these issues could financially affect pharmaceutical companies. As a Director of the pharmaceutical company, the Trustee would be required to promote the financial interest of that company, which could conflict with the interest of the AMA. Unlike the example above, these conflict situations are more likely to be pervasive and not readily isolated. In addition, heightened controversy and increased public scrutiny of certain companies or industries may call into question whether the Trustee’s affiliation would detract from the AMA’s ability to maintain the trust of the public and the medical profession. The Board of Trustees has determined that, in most instances, a Trustee should not hold a position as a member of the Board of Directors of a pharmaceutical company.

Example 4C: Trustee is a member of a pharmaceutical company advisory board on general health care issues.

Recommendation: In this type of affiliation, the Trustee does not have an obligation to promote the interests of the pharmaceutical company. The Trustee is also less likely to be perceived by the public or the medical profession as closely aligned or identified with the company. It is less likely the Trustee would be unduly influenced by this affiliation with the pharmaceutical company in his or her participation on the AMA Board.

The AMA encourages participation by its Trustees on advisory boards of other organizations, as such
participation is frequently beneficial to the AMA. An AMA Trustee who is also on the advisory board of a pharmaceutical company can share his/her expertise and knowledge of the pharmaceutical company’s perspective on various issues, thus assisting the AMA Board in considering all aspects of an issue in its decision making process. In addition, the AMA Trustee will bring the AMA’s perspective to the advisory board of the pharmaceutical company.

In most cases, the Trustee should be allowed to maintain this affiliation, but perceptions of how the AMA best maintains the trust of the public and the medical profession may change over time as heightened controversy or increased public scrutiny of the company may occur. To avoid the perception of bias, the Trustee should not vote on any matter that directly involves this specific pharmaceutical company. If there are indications that the Trustee may derive a significant benefit from approval of a particular AMA action, the Board may limit the Trustee’s participation.

This situation is distinguished from a Trustee serving as a paid consultant to a pharmaceutical company, which is discussed in Example 9A-9C. Advisory board members are not involved in directly promoting pharmaceutical companies’ products, and the level of advisory board activities is likely to be less frequent and intense than consulting arrangements. In addition, the structure of advisory boards is typically different than consulting arrangements, and is usually designed to encourage dialogue among medical colleagues on professional issues.

**Competing business activities**

Principle: Medical societies and other organizations with which a Trustee may be affiliated conduct business activities that compete with AMA's business activities. A Trustee's fiduciary duty to the AMA includes acting in a manner to promote the financial success of AMA's business ventures. This situation would appear to raise an inherent conflict of interest. Indeed, a member of the Board of Directors of a for-profit corporation would not be permitted to serve on the Board of a competitor. In contrast to for-profit corporations, the AMA conducts not-for-profit activities in addition to its business activities. In most cases, conflicts relating to competing business activities can be resolved without requiring a Trustee to choose between organizations.

Example 5: Trustee is a member of the Board of Trustees of an organization that conducts several business activities, one or more of which compete with AMA business activities (e.g. CPT, Physician Data Base, Consumer Books, Sponsored Insurance Plans, etc.)

Recommendation: Trustee should not participate in the vote on any issue relating to the competing activities. The Board may prohibit or impose limits on the Trustee’s participation in discussion of the competing activities and on the Trustee’s access to business plans, financial information, and other information which could harm the AMA business activity if known by a competitor.

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Example 6: Trustee is a director of a for-profit company whose primary activity is developing and marketing coding products intended to compete with AMA's CPT products. Recommendation: In certain circumstances, competition with a significant AMA business activity may be so direct and so potentially harmful that a Trustee could not fulfill his or her fiduciary duties to both organizations. In this example, the sole purpose of the other organization is to compete with an AMA business activity. Any action taken by the Trustee to promote the financial success of the competing product would harm the AMA financially. Under such circumstances, it would be appropriate for the Trustee to resign from one of the positions. The AMA Board of Trustees should determine, on a case by case basis, whether the business activities of another organization are so competitive that a Trustee should resign from one of the organizations.

B. Employment or Consulting Arrangements with Another Organization.

Participation on the AMA Board of Trustees is not intended to significantly impair employment opportunities. Restrictions on outside employment may discourage qualified physicians from seeking a position on the Board. Accordingly, employment and consulting arrangements should generally be permitted. However, certain employment or consulting activities may conflict with AMA interests and should be avoided. Also, the reputation of an organization can be impacted by heightened controversy or increased public scrutiny which can, in turn, affect the Trustee’s ability to contribute to the maintenance of the trust of the public and the medical profession.

Conflicting organizational goals

Principle: Employment or consulting arrangements with companies whose principal goals conflict with the AMA’s principal goals could be detrimental and embarrassing to the AMA. These arrangements should not be permitted.

Example 7: Trustee is a consultant to a tobacco company.

Recommendation: Although the Trustee is not in a fiduciary role for the tobacco company, and may not be involved in setting policy for the company, the Trustee’s affiliation with the tobacco company could undermine AMA's public health initiatives and present an appearance of impropriety. The Trustee should resign from one of the positions.

Organizations without a financial interest in AMA policy

Principle: A Trustee may have an employment or consulting arrangement with a medical organization, such as a state medical society or specialty society, that addresses issues similar to those addressed
by the AMA Board. Unless the Trustee has a personal interest in a specific policy, a Trustee's employment by such an organization is not likely to influence the Trustee in considering AMA policy.

Example 8A: Trustee is employed by a medical specialty society. The specialty society has approved a policy on a specific issue that differs from the policy under consideration by the AMA Board. The Trustee was directly involved in developing the policy for the specialty society.

Recommendation: This example raises the possibility of a personal interest that may conflict with AMA's interests. Since the Trustee was personally involved in developing the specialty society's policy, he or she may not be objective in considering the AMA's policy. However, the Trustee's opinion and knowledge on the issue may be useful to the AMA Board in its deliberations. In these situations, the interested Trustee should disclose his or her participation in the development of the specialty society's policy. The other Board members should evaluate the potential bias of the Trustee and determine appropriate limits, if any, on the Trustee's participation.

Example 8B: Same as Example 8A, except the Trustee did not participate in developing the policy for the specialty society.

Recommendation: Since approval by the AMA of a certain policy will not have a direct financial effect on the specialty society, and since the Trustee does not have a personal interest in the policy before the AMA Board, this affiliation probably would not prevent the Trustee from acting in the best interest of the AMA. In most cases the Trustee should be allowed to participate in AMA Board actions. There may be instances where the Trustee may derive a personal benefit, e.g. increased status in the specialty society, if the Trustee successfully encourages the AMA Board to adopt the same policy as the specialty society. If there are indications that the Trustee is acting to benefit himself or herself, the Board may limit the Trustee's participation.

**Organizations with a financial interest in an AMA policy**

Principle: If a Trustee's employer may be affected financially by an AMA policy, the Trustee may have a difficult time separating the financial interest of his or her employer from AMA's interests. Similarly, if a Trustee's personal financial interests may be affected, the Trustee may not be able to separate his or her own financial interest from AMA's interests.

Certain affiliations with commercial companies are subject to closer scrutiny due to the nature of the company, even though the Trustee's activities would otherwise be permissible.

Example 9A: Trustee is a consultant to a pharmaceutical company. The AMA Board is considering a policy on the direct-to-consumer advertising of prescription drugs. Trustee provides consulting services on this specific issue.
Recommendation: Approval of a specific policy would financially benefit the pharmaceutical company, and could benefit the Trustee personally. The Trustee's personal interest would most likely influence the Trustee's consideration of the policy. The Trustee may consciously or inadvertently attempt to influence the Board to approve a policy favorable to the pharmaceutical company. In addition, the Trustee's participation would raise the appearance of impropriety to outside parties. The Trustee should not participate in the vote on this issue. The Board may place limitations on the Trustee's participation in discussion and access to information it deems confidential on this issue.

If the Trustee's consulting activities will frequently involve issues that will be considered by the AMA Board, the Trustee should resign from either the consulting position or the AMA Board.

Example 9B: Same as Example 9A, except that the Trustee's consulting activities do not relate to this issue.

Recommendation: Participation on the AMA Board is not intended to prohibit outside employment. Although approval of a certain policy on this issue would affect the pharmaceutical company financially, the Trustee does not have a personal interest in the policy. The Trustee will probably not have a strong incentive to place the financial interests of the pharmaceutical company above the interests of the AMA. Therefore, the affiliation should be permitted, and the Trustee should be allowed to participate in Board actions. However, if there are indications that the Trustee is acting in a manner to benefit the pharmaceutical company instead of the AMA, the Board may limit the Trustee's participation.

Example 9C: Trustee is a member of a pharmaceutical company's speakers' bureau. Trustee gives presentations about a specific pharmaceutical product. Trustee is compensated by the pharmaceutical company.

Recommendation: This situation raises concerns about the venue in which the Trustee is presenting information. There is a distinction between serving on a pharmaceutical company’s speakers’ bureau and speaking as a medical expert at CME presentations. There is less of a perception of an AMA connection to a company or its product if the Trustee is presenting as an expert in an accredited venue, compared to a Trustee presenting pursuant to a compensated affiliation with the company. The Trustee should not participate in the speakers bureau.

Example 10: The AMA Board is considering a policy on the referral of patients to physician-owned health care facilities. The Trustee has an ownership interest in a health care facility.

Recommendation: The Trustee has a direct financial interest in the issue before the Board. As the Trustee has made a decision to invest in such a facility, the Trustee has already considered the issue and made a personal decision that his or her investment is appropriate. The Trustee would most likely not be able to make an objective, unbiased decision on this issue. Therefore, the Trustee should not
participate in the vote on this issue. The Trustee may be allowed to participate in discussion of the policy, as the Trustee has personal knowledge and experience which may be useful to the Board.

It is important to recognize that many of the issues that come before the Board could affect a Trustee’s medical practice or personal finances. A concern about a conflict of interest arises if the Trustee has a direct and significant financial interest in the issue before the Board, as in this example. In most instances, the financial effect of a policy would probably not be so significant as to prevent a Trustee from setting aside his or her personal interest and making a fair and independent decision.

**Business activities**

Principle: A Trustee may be employed by an organization which conducts business activities that compete with AMA’s business activities. While this type of employment would not be permitted in for-profit corporations, such employment in a not-for-profit setting is not likely to interfere with a Trustee’s ability to further the AMA’s mission. Restrictions are appropriate, however, if the Trustee's employment relates directly to a competing product.

Example 11A: Trustee is employed by an organization that markets a coding product that competes with AMA’s CPT. Trustee’s employment involves the competing coding product.

Recommendation: The Trustee must act in the best interest of the AMA, which includes acting to encourage the success of AMA business activities. The Trustee's employment on a competing product benefits his or her employer at the expense of the AMA. The Trustee should resign from either the employment position or the AMA Board.

Example 11B: Same as Example 11A, except the Trustee’s employment does not involve the competing coding product.

Recommendation: Since the Trustee does not work directly on the competing product, this employment arrangement may be permitted. The Trustee would be expected to maintain the confidentiality of any business plans or other information relating to the AMA’s product.

**C. Public Representation During Term**

Principle: Special areas of concern are positions held by an AMA Trustee which involve public representation and advocacy. An inherent conflict exists when an AMA Trustee espouses the views of another organization, in an attempt to influence legislators, government officials, or the public, while representing the AMA. The Trustee's affiliation with the AMA may imply AMA endorsement or support for the position promoted by the Trustee on behalf of the other organization. Also, the affiliation with the AMA may be used, consciously or inadvertently, to establish credibility and to gain access to
legislators or other public officials.

This conflict will arise if a Trustee is hired as a paid lobbyist for a specific company or for an industry. This conflict may also arise if a Trustee is a Trustee, council member or officer of another organization and is expected to participate in public advocacy on behalf of such other organization.

Example 12: Trustee is hired as a paid lobbyist for the insurance industry or pharmaceutical industry.

Example 13: Trustee is a member of the Board of Trustees of a medical society. The medical society asks the Trustee to meet with government officials and speak on behalf of a specific policy.

Recommendation: In these examples, there is a risk that the AMA may be viewed as being affiliated with another organization's policy positions. These situations may also place the Trustee in the difficult position of representing conflicting policies. The Trustee's public advocacy of a conflicting policy could undermine the AMA's efforts to promote its policy, and is likely to cause confusion in the minds of government officials and the public.

The Board will review these activities on a case by case basis. Activities which would be in direct conflict with an AMA policy or activity will not be permitted. If the activity would not conflict with AMA policies or activities, it may be permitted. The Board may place restrictions on the Trustee's activity to protect AMA interests, such as prohibiting the Trustee from promoting his or her affiliation with the AMA in conversations with government officials. The Trustee's affiliation with the AMA may inevitably become known during the course of the Trustee's public advocacy activities. The Trustee should clarify that he or she is not representing the AMA in conducting these activities.

In those circumstances where a Trustee's activities as a paid lobbyist are permitted, the Trustee should not vote on any issue which has been the subject of his or her lobbying activities. The Board may impose additional limitations on the Trustee's participation in Board action.

Example 14: Trustee is a member of the Board of Trustees of a medical society. The medical society approves a policy that conflicts with AMA policy. The medical society wants to inform the public of its policy, using the Trustee's name and affiliation with the AMA.

Recommendation: The Trustee should not permit the medical society to use the Trustee's affiliation with the AMA to promote a policy that conflicts with AMA policy.

D. Activities Following Term
A former Trustee's affiliation with another organization following his or her term raises a concern that the Trustee's prior affiliation with the AMA might be used to promote the policies of such other organization. This situation could arise if the AMA's name is used in connection with any policy of another organization, or if the former Trustee participates in public representation and advocacy for another organization.

The Board of Trustees has expanded the Conflict of Interest Policy to include the following restrictions on a Trustee's activities following the end of the Trustee's term:

- A former Trustee shall not use the AMA name or his or her affiliation with the AMA in any manner which would imply AMA support or endorsement of policies or activities of another organization.
- A former Trustee shall not use the AMA name or his or her affiliation with the AMA for commercial gain.
- A former Trustee shall not disclose confidential or proprietary information for personal or commercial gain.
- A former Trustee shall refrain from all conduct, verbal or otherwise, which publicly disparages or damages the reputation, goodwill, or standing in the community of the AMA or its Trustees or Officers.

These restrictions on a Trustee's actions following his or her term shall be a condition of the Trustee's acceptance of a position on the Board of Trustees. The Conflict of Interest Policy shall be distributed to candidates seeking election to the AMA Board of Trustees.

E. Affiliations of Family Members

Affiliation of a Trustee's family members with other organizations may raise possible conflicts of interest. For example, a Trustee's spouse may be employed by a medical specialty society, or a Trustee's child may provide consulting services to the pharmaceutical industry.

A Trustee shall disclose affiliations of his or her immediate family members with any health care organization or health-related professional association. The Board will evaluate the potential bias of the Trustee and determine appropriate limits, if any, on the Trustee's participation in Board actions related to any conflicting activity.

F. Political Affiliations
While the AMA encourages involvement in political activities, certain activities may conflict with the Trustee's fiduciary obligations to the AMA. A Trustee should disclose any significant political activity in which he or she is involved, or intends to become involved, including any positions for political office held or sought.

The Trustee's political activities are permissible if the political activity or office is compatible with the Trustee's AMA responsibilities. An example of a position which would likely be permissible is the Director of a State's Department of Public Health.

A Trustee should not hold an elected office if the Trustee's obligations to represent his or her constituents would conflict with the Trustee's obligation to represent the AMA. Further, a Trustee should not hold political office or participate in a political activity which requires public advocacy on health-related issues. An example of an impermissible position is a Director of the Republican or Democratic National Committee's National Health Care Campaign.

A Trustee seeking political office during his or her term on the AMA Board should not use AMA resources to assist in the political campaign. The Trustee should not use his or her affiliation with the AMA to imply AMA endorsement of the Trustee's candidacy or positions on public issues without the prior approval of the AMA Board.

G. Standard Setting Organizations

The AMA participates in several standards setting organizations, such as JCAHO. The AMA may appoint AMA Trustees to serve on the governing bodies of these organizations. The role of the AMA Trustees on the governing Board of JCAHO was the subject of Board of Trustees Report FF (A-91).

As discussed in the Report, organizations such as JCAHO are separate legal entities, and individuals appointed to serve on their governing Boards owe a fiduciary obligation to act in the best interest of such organizations. While an AMA Trustee serving on a governing Board of such an organization may advocate AMA policies, the AMA cannot bind the Trustee to vote in any particular way. The Trustee must exercise his or her judgment in resolving issues in the best interest of the particular organization. Frequently, this involves compromise and the adoption of policies that differ in certain respects from AMA policies, but that are intended to achieve similar goals.

While serving on governing bodies of these organizations, the Trustee retains his or her fiduciary obligation to the AMA. Although this does not require a Trustee to insist AMA policy be adopted, an AMA Trustee should not support any policy that is in direct opposition to AMA policy.

H. Endorsements and Testimonials

Use of the AMA's name or a Trustee's affiliation with the AMA in a manner that would incorrectly imply an AMA endorsement of a non-AMA product or service shall not be permitted. Board
determinations with respect to when particular endorsements or testimonials are impermissible shall follow the following qualitative review process:

1. The Trustee or Officer advises the AMA of the particulars of the request, such as the giving of an endorsement to testimonial, as well as their assessment of the proposed action.
2. If the particulars involve the endorsement of the third-party product or service, the matter is sent to the AMA Corporate Review Team (CRT) for review and consideration.
3. Independent of the CRT, the Office of General Counsel (OGC) reviews the request for appropriateness of wording, congruence with the House of Delegates policy and consistency with the AMA conflict of interest policy.
4. The opinions of the CRT and/or OGC are then forwarded to the Chair of the Board of Trustees to conduct a qualitative review of the matter and either make a recommendation and/or referral for final decisions to the Executive Committee of the Board.
5. The Executive Committee considers the matter and renders a final decision.

Procedure

In order to implement the Conflict of Interest Policy and address any potential conflicts, the following procedure is adopted:

- The Conflict of Interest Policy and these Guidelines will be distributed to all candidates seeking election to the AMA Board of Trustees or AMA Officer positions, and to candidates for Senior Manager employment positions.
- Each candidate under final consideration for Senior Manager positions shall complete a Conflict of Interest Disclosure Statement. The affiliation of the selected candidate for each Senior Manager position will be reviewed by the Board for potential conflicts prior to hiring such candidate.
- The Conflict of Interest Policy and these Guidelines will be distributed annually to each Trustee and Senior Manager.
- In June of each year, each Trustee and Senior Manager should disclose all affiliations, including employment, consulting arrangements, memberships on councils and on other Boards of Trustees or Boards of Directors, and political offices. Conflict of Interest Disclosure Statements for Trustees and Senior Managers will be provided by the AMA’s Board Office. Conflict of Interest Disclosure Statements for Senior Managers will be provided by AMA Human Resources.
- A listing of all Trustees’ and Senior Managers’ affiliations will be distributed to all Board members prior to the October meeting each year.
- If a Trustee becomes affiliated with another organization, or ceases an affiliation, the Trustee should promptly notify the Board Office. Senior Managers should notify Human Resources.
Resources. Board members will be notified of any changes in a Trustee’s or Senior Manager’s affiliations prior to the next Board Meeting.

Disclosed affiliations will be reviewed by the General Counsel to identify any potential conflicts. The General Counsel may ask a Trustee or Senior Manager for additional information concerning an affiliation. The General Counsel’s disclosed affiliations will be reviewed by the Board.

Any Trustee may raise a question about any Board member’s or Senior Manager’s possible conflict of interest at any time. A Trustee may express his or her concern at any Board Meeting, or may notify the Chair of the Board or the General Counsel of his or her concern. The Chair and the General Counsel will recommend any necessary action to resolve a conflict of interest. The Chair and/or General Counsel may discuss their recommendations with the affected Trustee or the Senior Manager or with the Board, as appropriate.

The Board will be advised if the conflict of interest has been resolved with the affected Trustee or Senior Manager. If the conflict is not resolved, the Chair and General Counsel will notify the Board and the Board shall determine the appropriate resolution.

Employees below the level of Senior Manager are subject to the AMA Human Resources Conflict of Interest Policy. The General Counsel shall also provide an annual report to the Board stating that the conflict of interest compliance forms of the Vice Presidents have been reviewed, and reporting how such conflicts have been resolved. The General Counsel’s report shall also inform the Board of any relationship, activity or affiliation disclosed by any other employee which may raise a conflict of interest and which would have a material impact on the operation of the AMA.