POLICY/PROCEDURE REGARDING: Conflicts of Interest in Client Referrals--Contract Employees

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References:  
Title 26, Section 851(a)

Technical Revision. Replaces 3.02-10 of 5/25/99

Purpose:

This policy applies to all CBHS contractors.

It is the policy of Community Behavioral Health Services (CBHS) that employees of CBHS contractors (including clinical, administrative employees and interns) who make referrals of clients to services outside the CBHS System of Care do so in a manner that does not create a financial conflict of interest for the employee making the referral. Accordingly, employees of CBHS contractors may not make client referrals that violate this policy. It is also the policy of CBHS to require CBHS contractors to maintain information on referrals made to providers who make donations to the referring CBHS contractors. Such information may lead to further policy changes if circumstances suggest that referral decisions are inappropriately influenced by donation. Violation of this policy may result in termination of the contract.

Referrals by Employees of CBHS Contractors:

If an employee of a CBHS contractor (or the spouse or dependent child of such employee) has a financial relationship with a provider of behavioral health services, whether the provider is an individual, a corporation or other legal entity, the employee may not refer a client to the provider for the provision of services that is to be paid for by CBHS.

A financial relationship of an employee of a CBHS contractor (or spouse or dependent child) with a provider means:

1. an ownership or investment interest in the provider, which may be through equity, debt or other means, and includes an interest in an entity that holds an ownership or investment interest in any provider providing the mental health services; or

2. a compensation arrangement between the employee (or spouse or dependent child) and the provider.

A compensation arrangement means any arrangement involving any remuneration between an employee of a CBHS contractor (or spouse or dependent child) and a provider. The term remuneration includes any remuneration, directly or indirectly, overtly or covertly, in cash or in kind.
An investment interest shall not include ownership of investment securities (including shares or bonds, debentures, notes, or other debt instruments) which may be purchased on terms generally available to the public and which are:

(1) securities listed for trading on the New York Stock Exchange, the American Stock Exchange, or any regional exchange in which quotations are published on a daily basis, or foreign securities listed on a recognized foreign, national, or regional exchange in which quotations are published on a daily basis, or traded under an automated inter dealer quotation system operated by the National Association of Securities Dealers, and had

(2) in a corporation that had, at the end of the corporations most recent fiscal year, or on average during the previous 3 fiscal years, stockholder equity exceeding $75,000,000.

An investment interest shall not include ownership of shares in a regulated investment company defined in section 851(a) of Title 26, if such company had, at the end of the corporations most recent fiscal year, or on average during the previous 3 fiscal years, total assets exceeding $75,000,000.

Requirement to Maintain Information on Referrals to Donors to CBHS Contractors:

CBHIS contractors shall maintain a record of each referral that an employee of the CBHS contractor makes to a provider who has made a donation to the CBHS contractor within the previous 12 months. Along with information regarding the identity of clients so referred and the dates of the referrals, the record shall show the identity of the provider-donor and the dates and amounts of donation. The CBHS contractor shall maintain this record and make it available to CBHS staff upon request.

Contact Person: Director of Provider Relations

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