

Conflict of Interest Policy for Sacramento County Health Authority

Purpose

To ensure that the chair and commissioners of the Sacramento County Health Authority act in the public's interest while recognizing and avoiding actual, potential, or perceived conflicts of interest due to their personal or professional in the performance of their duties. Duty of loyalty requires them to act in the best interests of the commission over their own personal, financial, or professional interests, which includes awareness of conflicts of interest and self-dealing, disclosing any conflicts that may arise.

Scope

This policy applies to all commissioners of the Sacramento County Health Authority, including the Chair, voting and non-voting commissioners, County contracted consultants supporting the Sacramento County Health Authority, and ex officio commissioners.

Procedure

1. Definitions and Scope of Conflict of Interest

A conflict of interest arises when a board member's personal, professional, or financial interests can compromise, or appear to compromise their objectivity in Sacramento County Health Authority matters. This could include but is not limited to:

- **Financial Conflicts:** A financial interest where a decision is likely to have a significant financial effect on their interests, different from the effect on the general public. Financial interest in organizations receiving funding or contracts from Sacramento County. This could be personal or organizational financial conflicts (e.g. bonuses or career advancement) but include financial conflicts due to your employment.
- **Employment Conflicts:** Employment or consulting relationships with entities affected by board recommendations.
- **Non-Financial Conflicts:** Familial, political, or advisory roles in related organizations.

2. Disclosure Requirements and Ownership

Duties of the Chair & Support Staff

- **Initial Disclosure:** Required upon appointment.
- **Annual and Event-Triggered Disclosures:** Members must update their Conflict of Interest forms annually or immediately upon any change in relevant interests. If a commissioner is unsure if there is a perceived or real conflict they must reach out to the Chair and County Counsel will opine.

- **Meeting Prompting:** Chair when discussing new matters will raise before the presentation on the new matter for voting will remind commissioners of the importance of identifying, recognizing and disclosing actual, potential or perceived conflicts. Including an agendaized reminder at general commission meetings.
- **Tracking:** County Staff manage and track disclosures, including maintaining a log that captures the following
 - 700 Form Completion status
 - Annual 700 Form Submission Deadlines
 - Reported conflicts
 - Departures from the Commission
 - Ethics Training Completion Date
 - Brown Act Training Completion Date
- **Notification:** County staff responsible for notifying the Chair of overdue disclosures for follow-up with the identified Commissioner.

Collective Responsibility

- **Transparency:** Routine review of commissioner's other affiliations at a general commission meeting.
- **Accountability:** Commissioners will review agendas ahead of meeting with the lens of consideration of their actual, potential or perceived conflicts, and acknowledging them in meetings, and recusing themselves if needed.

3. Recusal Procedures

Commissioners may need to recuse themselves from discussions and votes where actual, potential, or perceived conflicts exist.

- If a commissioner is unsure if there is an actual, potential, or perceived conflict they must reach out to the Chair and County Counsel will opine.
- Once the conflict is identified the Commissioner must notify the Commission.
- Depending on the type of conflict, the Commissioner will either abstain from voting and/or leave the room.
- The abstention will be for the time of the matter being discussed.
- County Staff will document recusals in meeting minutes
- In the event of decision making on a contract a commissioner with a conflict must recuse themselves from the discussion and vote. In other circumstances where the agenda item does not include a contract decision, but there may be a possible conflict, a commissioner may choose to recuse themselves but is not legally obligated to.

4. Training and Certification

County provides training to Commissioners, and they must complete the following:

- **Ethics Training:** Mandatory and aligned with [Form 700](#) requirements.

- **Brown Act Training:** Provided by County Counsel.
- **Other:** Reserve the right to add additional training to ensure compliance.

Commissioners must complete the training no later than 3 months after appointment to the Sacramento County Health Authority.

Sacramento County staff will conduct ongoing monitoring by reviewing training completion status regularly and flag for the Chair to address with the non-compliant commissioners. If ongoing non-compliance is found the Chair will bar the commissioner from being allowed to vote in matters until in compliance with training requirements.

5. Enforcement and Compliance Oversight

The Chair will ensure that Commissioners are in compliance with required reporting and training with the assistance of County Staff. Any person who files a Statement of Economic Interests (Form 700) after the deadline imposed by the Political Reform Act is liable for a late fine pursuant to Government Code Section 91013. Fines issued pursuant to this section shall not exceed \$10 per day up to a maximum of \$100. In addition to other penalties provided by law, a fine of up to the greater of ten thousand dollars (\$10,000) or three times the amount the person failed to report properly or unlawfully contributed, expended, gave or received may be imposed upon conviction for each violation.

- **Meeting Prompting:** Chair when discussing a new matter will raise before the presentation on the new matter for voting will remind commissioners of the importance of disclosing conflicts (e.g., “Does anyone have an actual, potential or perceived conflict of interest?”)
- **Closed Sessions:** The Chair may use closed session to review sensitive conflict of interest matters (per County Counsel guidance).
- **Enforcement Penalties:** Enforcement will be done through graduated enforcements
 - **Warnings:** Issued by the Chair to impacted commissioners when they are found non-compliance with the training and/or submission requirements.
 - **Temporary Suspension from Voting:** If the training and/or required reporting has not been done in one month since the warning the Chair will notify the impacted commissioners that they will be suspended from voting.
 - **Removal from the Commission:** If after 3 months since the non-compliance date the Chair will notify the Commissioner they have one additional month to come into compliance or they will be removed from the Commission.

6. Conflict Resolution Process

If the Commission finds that a Commissioner may have a conflict the Commissioner must notify the Chair immediately to ensure that commission activities remain robust, transparent, and consistently enforced, thereby strengthening overall integrity and public

trust. The Chair partners with County Staff to investigate the reported or suspected conflicts.

- Once the reported or known conflicts, the Chair and County staff will conduct an initial assessment within 30 days.
- If the initial assessment shows a potential conflict the Chair will notify the impacted Commissioner and will set up a closed session for discussion with 30 days after the initial assessment is completed.
- If a conflict is not disclosed by a Commissioner and it is found to be substantiated the Commissioner will be barred from participation in the Commission.
- The Commissioner will have the right to an appeal process.

7. Transparency

- All recusals will be documented in the meeting minutes.
- This policy will be reviewed annually and posted publicly.

References

Form 700 FPPCA Enforcement and Penalty Language

The Sac County Code addresses the Health Authority conflict of interests in section 2.136.040. The SCC code references Government Code section 1090, which prohibits an officer, employee, or agency from participating in making government contracts in which the official or employee within the agency has a financial interest. Section 1090 applies to virtually all state and local officers, employees, and multimember bodies, whether elected or appointed, at both the state and local level. SCC section 2.136.040 states that commissioners that are medi-cal recipients shall not be deemed interested in a contract within the meaning of section 1090. And that the other commissioners shall not be deemed interested in a contract within the meaning of section 1090 if sections (a)(1) – (6) apply. Note that the commissioner must disclose their interest and abstain from voting.

No language found in Welfare and Institution Code section 14087.38 or the Sacramento Specific section 14087.385 on conflict of interests. Counsel reported that any enforcement provisions are thought to reside within Government Code Section 1090.

Enforcement is addressed by the enforcement division of the FPPC where you can file a complaint online:

<https://www.fppc.ca.gov/enforcement.html>

Enforcement PowerPoint: <https://www.fppc.ca.gov/content/dam/fppc/NS-Documents/EnforcementDiv/Information/February%202018%20Commission%20Meeting%20Enforcement%20Presentation.pdf>.

§ 2.136.040 Conflict of Interest.

a. Notwithstanding any other law, a member of the Commission shall not be deemed to be interested in a contract entered into by the Health Authority within the meaning of Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1 of the Government Code if the member is a Medi-Cal recipient or if all of the following apply:

1. The member was appointed to represent the interests of physicians, health care practitioners, hospitals, or other health care organizations.
2. The contract authorizes the member or the organization the member represents to provide Medi-Cal services in the county.
3. The contract contains substantially the same terms and conditions as contracts entered into with other individuals or organizations the member was appointed to represent.
4. The member does not influence nor attempt to influence the Commission or another member of the Commission to recommend that the Health Authority enter into the contract in which the member is interested.
5. The member discloses the interest to the Commission and abstains from voting on any recommendation on the contract.

6. The Commission notes the member's disclosure and abstention in its official records and authorizes the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote of the interested member.

b. All members of the Commission and any advisory committee shall comply with all State and County laws, ordinances and regulations relating to conflict of interest and are subject to the financial reporting requirements of the Political Reform Act. In addition to the above, The SCC has an enforcement provision – SCC 2.65.080. The section directs us to Government Code section 91000-91404

§ 91000. Penalties: [Cal Gov Code § 91000](#)

(a) Any person who knowingly or willfully violates any provision of this title is guilty of a misdemeanor.

(b) In addition to other penalties provided by law, a fine of up to the greater of ten thousand dollars (\$10,000) or three times the amount the person failed to report properly or unlawfully contributed, expended, gave or received may be imposed upon conviction for each violation.

(c) Prosecution for violation of this title must be commenced within four years after the date on which the violation occurred.

§ 91001. Enforcement agencies

(a) The Attorney General is responsible for enforcing the criminal provisions of this title with respect to state agencies, lobbyists and state elections. The district attorney of any county in which a violation occurs has concurrent powers and responsibilities with the Attorney General.

(b) The civil prosecutor is primarily responsible for enforcement of the civil penalties and remedies of this title. The civil prosecutor is the commission with respect to the state or any state agency, except itself. The Attorney General is the civil prosecutor with respect to the commission. The district attorneys are the civil prosecutors with respect to any other agency. The civil prosecutor may bring any civil action under this title which could be brought by a voter or resident of the jurisdiction. Upon written authorization from a district attorney, the commission may bring any civil action under this title which could be brought by a voter or resident of the jurisdiction. Under such circumstances, Section 91007 shall not apply to the commission.

(c) Whether or not a violation is inadvertent, negligent or deliberate, and the presence or absence of good faith shall be considered in applying the remedies and sanctions of this title.