

EXECUTIVE SUMMARY  
Bingham Memorial Hospital  
Internal Review  
Holland & Hart LLP

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# Background

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The Bingham Memorial Hospital (“BMH”) Board of Trustees retained the law firm of Holland & Hart LLP to conduct an internal review of allegations raised in the press during the months of May and June 2012. The issues included the following topics:

- Outdated Medications and Supplies
- Billing for Saipan Hospital
- Purchase and Sale of Equipment By Cyberdine
- Telephone Monitoring
- Medicare Secondary Payer Forms
- Length of Stay
- Conflicts of Interest

The BMH Board gave Holland & Hart complete access to employees and documents in the possession of BMH. Holland & Hart attorneys conducted interviews of current and former BMH Employees including: BMH Board members, Administrators, doctors, nurses, IT employees, and other BMH staff. Holland & Hart also interviewed individuals who made complaints to the media. Most who were asked to provide interviews did so, although a few individuals declined to meet or did not return phone calls. Holland & Hart attorneys conducted over 90 interviews and searched more than 500,000 documents and e-mails during the investigation.

Holland & Hart attorneys have attended BMH Board meetings to report their detailed findings. The Board has instructed Holland & Hart to prepare this executive summary to provide an overview of the review findings and recommendations.

# Outdated Medication Samples and Supplies

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## **ALLEGATIONS**

On May 24, 2012, Channel 8 alleged in a story that in 2010, BMH Administrators instructed a BMH nurse named Ms. Brandi Seal to go through the Medical Office Building (“MOB”) and remove expired medication samples and supplies during a Joint Commission Audit. (*BMH Employee: Bosses Said Clear out Drugs During Audit*, May 24, 2012, Marissa Bodnar.) Ms. Seal was told to “get ahead” of the auditors and “find anything that’s expired and . . . get rid of it.” (*Id.*) She filled four garbage bags in total and placed them in the trunk of her automobile. (*Id.*) She disposed of non-medications in a garbage receptacle and put the medication samples in the biohazard bin at BMH the following day. (*Id.*)

## **CONCLUSION**

During an inspection by the agency that accredits BMH (“the Joint Commission”), Ms. Seal was instructed to collect and dispose of outdated sample medications and supplies. She placed the collected samples and supplies in the trunk of her car before disposing of them the following day. Longstanding BMH policy required disposal of outdated medications at the BMH Pharmacy. BMH promptly revised its policies and procedures to clarify the proper management of sample medications and supplies and initiated training to ensure compliance. The Joint Commission accepted BMH’s changes and reported in September of 2010 that BMH is in compliance with its standards.

## **FINDINGS**

1. BMH managers and Administrators took steps prior to the Joint Commission Inspection to prepare for the visit, which included ensuring outdated medications and supplies were removed from the MOB and other BMH facilities.
2. During the Joint Commission inspection, inspectors found some outdated medication samples and supplies in an exam room at the MOB and a few other areas of the hospital. Ms. Seal was told to check the other exam rooms in the MOB for outdated medication samples and supplies. She found some and put them in garbage bags.
3. The garbage bags contained more supplies than outdated medication samples. The supplies included items like hand sanitizer, saline, IV tubing, and steri-strips. The bags also contained vitamins and undated medications that had been opened. Ms. Seal did not inventory the medication samples and supplies prior to disposing of them and cannot provide details about them.
4. Interviews revealed that no one associated with BMH instructed Ms. Seal to place the outdated medication samples and supplies in her vehicle. Ms. Seal made the decision on her own. According to longstanding BMH policy, outdated medications should be disposed of at the BMH Pharmacy.
5. Following the Joint Commission inspection, BMH Administrators and managers modified BMH Policy to require weekly inspections for outdated medication samples and supplies. The Joint Commission accepted BMH’s changes and reported in September of 2010 that BMH was in compliance with its standards.

## **RECOMMENDATIONS**

1. Continue to follow the policies and procedures established in response to the Joint Commission Survey.
2. Ensure hospital personnel are properly trained regarding the inspection, handling, and disposing of outdated medications and supplies. Employees should sign a form stating they have received training on this issue.

# Billings for Saipan Hospital

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## **ALLEGATIONS**

During the first two weeks of May, Channel 8 ran several stories involving allegations that BMH Administrators Mr. Louis Kraml and Mr. Dan Cochran formed a company called International Consulting Services, LLC (“ICS”) to help a hospital on the island of Saipan. (*Bingham Memorial CEO Denies Allegations of Bad Business*, May 2, 2012, Marissa Bodnar; *Saipan AG Says “No” to Deal With Bingham Administrators*, May 9, 2012, Marissa Bodnar.) The articles questioned whether Mr. Kraml and Mr. Cochran kept dealings with Saipan separate from BMH, whether they conducted business with Saipan while on the “Bingham Memorial clock,” and whether ICS entered into a legal contract with the Hospital in Saipan.

BMH’s investigation focused on the allegations involving BMH resources. Questions about ICS’s agreements with the Saipan hospital should be directed to attorneys for Mr. Kraml, Mr. Cochran, and ICS.

## **CONCLUSION**

Without informing the BMH Board of Directors, Mr. Kraml and Mr. Cochran formed a company called ICS and through it entered into billing and consulting agreements with a hospital on Saipan. The agreements with the Saipan hospital are no longer in place, and ICS is no longer in business. Costs associated with the use of BMH equipment and supplies were properly reimbursed to BMH by ICS.

## **FINDINGS**

1. Mr. Kraml and Mr. Cochran formed a company called ICS. ICS entered into billing and consulting agreements with the Commonwealth Healthcare Corporation of Saipan (“CHC”). ICS entered into these agreements without the knowledge or consent of the BMH Board of Directors.
2. The employment contracts of both Mr. Kraml and Mr. Cochran require them to “render full-time professional services” and “serve the Hospital on a full-time basis,” but the contracts do not prohibit them from having outside business interests.
3. Mr. Kraml and Mr. Cochran utilized some BMH resources to the benefit of ICS. They utilized BMH cell phones while traveling on Saipan, BMH e-mail to correspond with representatives in Saipan from December 2011 through the Spring of 2012, and BMH employees who provided incidental services (e.g. arranging travel, ordering equipment for ICS, etc.).
4. Mr. Kraml and Mr. Cochran reimbursed BMH for their use of cell phones while on Saipan. BMH accountants closely scrutinized cell phone bills to confirm reimbursements were received.
5. BMH human resources department has confirmed Mr. Kraml and Mr. Cochran utilized their BMH vacation time for their trip to Saipan.

## **RECOMMENDATIONS**

1. Define and clarify the rules relating to outside business or employment opportunities for BMH employees, including Administrators.
2. Require Administrators to report and disclose involvement in actual or contemplated outside business or employment opportunities to the BMH Board of Directors.
3. Develop procedures for evaluating and approving or disapproving potential outside business or employment opportunities.
4. Bring existing employee contracts into compliance with newly created rules regarding outside business or employment opportunities.
5. Require Administrators to annually disclose whether they are serving as an officer, director, manager, or board member of another entity.

# Cyberdine

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## **ALLEGATIONS**

On May 18, 2012, Channel 8 ran a story alleging that BMH's former IT Director/CIO ("IT Director") pursued a scheme to personally profit from his relationship with BMH. (*Former BMH Employee Questions Business Practices*, May 18, 2012, Marissa Bodnar.) The news story alleged that the IT Director formed a company called Cyberdine and directed BMH IT employees to order equipment for BMH through Cyberdine. The former IT Director allegedly used BMH employees to install IT equipment for a Cyberdine customer while they were on the clock for BMH. The news story claimed that BMH Administrators did not take immediate action after learning about the IT Director's conduct.

## **CONCLUSION**

BMH Administration learned of the facts upon which the above allegations are based during the fall of 2011. BMH took appropriate steps to deal with the issues while completing the installation of a new hospital wide computer system and keeping the network secure. The IT Director resigned on April 19, 2012.

## **FINDINGS**

1. BMH's former IT Director formed a company called Cyberdine with a doctor affiliated with BMH.
2. BMH's former IT Director instructed BMH employees to order equipment for the hospital through Cyberdine.
3. Cyberdine installed equipment purchased by BMH for a Cyberdine customer. The former IT Director used BMH IT employees to install the equipment while they were on shift at BMH.
4. In the fall of 2011, when BMH Administration learned of the issues raised above, BMH was involved in the design and implementation of a new hospital-wide computer system. The IT director was instrumental in designing and installing the new system. The system went live in January 2012, and required several months of fine-tuning and debugging.
5. During this period, BMH took steps to protect patient records and the security of confidential patient information. BMH also ensured that its network was secure and could not be disabled or breached.
6. During the time period between September 2011 and April 2012, BMH Administration closely monitored the installation of the new computer system and IT Department activities.
7. BMH administration suspended the IT Director on April 6, 2012.
8. The IT Director resigned from BMH on April 19, 2012.
9. Based upon an accounting performed by BMH, Cyberdine reimbursed the hospital for equipment used by Cyberdine.

## **RECOMMENDATIONS**

1. Maintain a complete inventory of all BMH property, where the property is located, and who the property is assigned to (if in the possession of an individual). BMH should consider some form of tracking system with BMH bar codes on all electronic equipment that can be scanned.
2. Establish a policy regarding the home and personal use of BMH computers, equipment, and software by BMH employees.
3. Review and enforce policy prohibiting the use of BMH employee time for non-BMH purposes.
4. Review and implement grievance policies to address employee concerns about reporting problems with difficult managers.
5. Review and enforce policies related to purchase orders.
6. Review security measures for the IT department to protect the integrity of the BMH network.
7. Evaluate the adoption of IT best practices (e.g. adopting ITSM best practices, obtaining ITIL certification, etc.).



# Telephones

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## **ALLEGATIONS**

Allegations surfaced that BMH secretly monitored and recorded telephone conversations to and from a BMH doctor's office for a few weeks during 2010. BMH became aware of these allegations through documents received as a result of a public records request made on May 25, 2012. Current and former employees have alleged phones were set-up in the basement of the Sage Creek building during 2010 and that telephone conversations were monitored. Former IT employees confirmed they set up phones to record telephone conversations of a BMH doctor and his staff. Those involved claim they received direct instructions to set up the phone bank from the former BMH IT Director. Several individuals stated that, in their opinion, the former IT Director received direction to set up the phones from upper management at BMH. None of the individuals interviewed attended any meetings, were present during any conversations, or have seen any writings supporting their opinions that BMH upper management provided direction to set up the phones and recording devices. There are statements, although disputed, that there was a meeting between various members of the IT department and upper management concerning removal of the phones and recording devices.

## **CONCLUSION**

The former IT Director of BMH instructed an IT employee to record telephone conversations of a BMH doctor and his staff. As instructed, BMH IT employees recorded phone conversations and provided the recordings to the IT Director. The IT Director claims he delivered the recordings to BMH Administration. BMH Administrators deny ever receiving the recordings. When the phones were discovered, BMH Administrators immediately ordered removal of the phones. There is no evidence any patient information was disclosed or compromised. No one was able to produce the recordings and no one interviewed knew the content of the recordings.

## **FINDINGS**

1. Members of the BMH IT department recorded telephone calls at the direction of BMH's former IT Director.
2. Three phones and three digital voice recorders were installed in the basement of the Sage Creek Building.
3. Three telephone lines associated with a doctor's office were recorded.
4. The recording took place in late June and early July of 2010.
5. IT employees stated they changed batteries on the voice recorders and downloaded the recordings. One former employee stated he edited the recordings, provided digital copies to the former IT Director, and deleted all other copies of the recordings.
6. None of those interviewed know what happened to the recordings after they were delivered to the IT Director. The IT Director claims he provided them to someone in BMH Administration. No one in the BMH Administration remembers receiving the recordings. Nobody was able to provide the recordings to Holland and Hart. When the phones were discovered, BMH Administrators immediately

ordered removal of the phones. There is no evidence any patient information was disclosed or compromised.

## **RECOMMENDATIONS**

1. Develop specific guidelines relating to phone monitoring and recording. In accordance with the guidelines, measures should be taken to ensure that all company policies are consistent. BMH should provide training to employees and administrators regarding guidelines and legalities that relate to phone monitoring and recording for quality control.
2. If BMH Administrators determine phone monitoring or recording would further a legitimate business need, BMH should obtain appropriate software or arrange for a service to monitor and record telephone calls. Such a decision should be approved by the BMH Board of Directors.
3. Arrangements should be made to provide BMH employees a confidential procedure to report what they believe to be improper or illegal activity without concern about being identified or punished, even if their belief about propriety of the acts reported proves to be unjustified. If the events reported prove to be meritorious, BMH Administrators should promptly notify the Board.
4. BMH should consider appointing an independent ethics officer or ombudsman that reports directly to the Board of Directors.

# Medicare Secondary Payer Forms

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## **ALLEGATIONS**

On June 5, 2012, in a news story aired by Channel 8 and published on its website, former BMH employee Angie McLean alleged that BMH administration instructed her and other clerks in the BMH emergency room (“ER”) to fill out Medicare Secondary Payer (“MSP”) forms for two (2) years worth of ER patients. (*Former Bingham Memorial employees allege fraudulent activity*, July 5, 2012, Marissa Bodnar). “She said every yes or no question was answered whether the information was in the ER charts or not.”

Ms. McLean stated, “Some of the information we could get, but some of it, I would say, yes, we probably made up.” (*Id.*).

## **CONCLUSION**

In May of 2010, BMH discovered that MSP forms were not being completed for every patient admitted to the ER. Insurance information was recorded in ER patients’ charts, although not on the MSP forms. BMH immediately required ER personnel to fully complete the MSP forms going forward. BMH also instructed ER personnel to use information in the patient chart to complete missing MSP forms and, if necessary, call the patient for additional information. This process remains ongoing and is subject to continued review by BMH.

## **FINDINGS**

1. BMH is required to obtain and keep information about the availability of insurance coverage for each patient. Completion of the MSP form is the recommended method for collecting the information but the use and completion of the form for recording of the information is not mandatory. BMH is required to collect and record the information somewhere.
2. Prior to May 2010, MSP forms were regularly completed for all patients admitted to BMH except the ER.
3. During this time period, the ER clerks inquired about insurance coverage but did not record the information on MSP forms. The information obtained was kept in patient charts. During this time period, the ER clerks did not use a uniform procedure for the collection of insurance information but were cognizant of and identified situations where insurance coverage was likely available, especially in cases of work place or automobile accidents.
4. The failure to complete MSP forms for ER patients was discovered in mid-May 2010 and remedied immediately. MSP forms have been regularly completed for ER patients since then.
5. BMH held a training session for the ER clerks to ensure they understood the need to complete the MSP form for each patient admitted. BMH instituted training regarding MSP procedures for all new clerks. BMH instituted an ongoing policy of generating a monthly admissions accuracy report that identifies any missing MSP completions.
6. By June 2010, the ER clerks were instructed to complete MSP forms for patients admitted to the ER between July 2009 and May 2010. To do this, the ER clerks were instructed to use the patient

charts and other information in BMH's possession. The completed MSP forms were not backdated—they clearly reflect both the date the patient was admitted to the ER and the date the form was completed.

7. The ER clerks who filled out the forms acknowledged that the information in BMH's possession did not always contain the information needed to complete every question on the MSP form. As a result, some questions on the forms were left blank and some questions were answered using the clerk's best judgment based on the information that was in the file. It is likely some MSP information is missing for some patients admitted to the ER prior to May 2010 and that prior to May 2010 the MSP forms were not being completed for most ER patients.

## **RECOMMENDATIONS**

1. Continue to follow the steps taken in May and June 2010 to ensure an MSP form is completed for each BMH patient, including regular training of clerks, training of new clerks, and monthly monitoring to ensure MSP forms are being completed.

2. Primary insurance information for patients admitted to the ER prior to May 2010 should be reviewed to ensure the information can or has been verified. Once BMH has completed this process, it should consider sharing the information with the Center for Medicare and Medicaid Services to obtain guidance and ensure BMH is in compliance.

# Length of Stay

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## **ALLEGATIONS**

On June 5, 2012, in a news story aired by Channel 8 and published on its website, former BMH employee Ms. Nichole Rammell alleged BMH administration instructed her to create a plan to increase length of stay (“LOS”) for Medicare and Medicaid patients. (*Former Bingham Memorial employees allege fraudulent activity*, July 5, 2012, Marissa Bodnar). “Rammell said she was told the increase in length of stay was to help increase revenue.” (*Id.*). Ms. Rammell stated in the article that she did not make any efforts to increase length of stay at BMH. (*Id.*).

## **CONCLUSION**

There is no indication that LOS was artificially increased by BMH actions or directions. All persons interviewed, including doctors and members of the Case Management Group (“CMG”), confirmed the decision to discharge patients always remained with the treating physician.

## **FINDINGS**

1. In early 2011, Nichole Rammell was the head of the CMG at BMH. Part of the CMG’s role was to assess patient needs and arrange for each patient to have the services and items needed for a successful recovery once the patient leaves BMH.
2. In the spring of 2011, the CMG became aggressive in telling physicians that increased emphasis needed to be placed on reducing patients’ LOS. This effort was led by Ms. Rammell.
3. At Ms. Rammell’s direction, the CMG began placing information in patient charts with recommendations on specific patient’s LOS. Shortly after the CMG began doing this, administration and members of the CMG began receiving complaints from the treating physicians that these efforts were interfering with the doctor’s duty to decide when a patient should be discharged.
4. One physician recounted an incident where a member of the CMG was aggressively urging medical staff to discharge a patient at the same time the physician was receiving reports from an attending nurse that the patient was dangerously unstable requiring an increased LOS because she needed immediate and continuing treatment in the hospital under supervision of her physician.
5. BMH administration investigated the issues raised by the physicians and reaffirmed that length of stay rested with the physicians without interference or direction from CMG.
6. The investigation did not uncover any evidence, other than Ms. Rammell’s statements in the news article, that any considerations or instructions with respect to LOS turned on whether a patient had Medicare, Medicaid, or any other type of insurance coverage.
7. In the early summer of 2011, BMH instructed the CMG to stop placing recommendations about LOS in patient files.

8. There is no indication that LOS was artificially increased by BMH actions or directions. All persons interviewed, including doctors and members of the CMG, confirmed the decision to discharge patients always remained with the treating physician.

### **RECOMMENDATIONS**

1. Follow BMH's recently revised policy with respect to LOS. That policy requires: "Quarterly and annually, the Utilization Review Department will prepare a report on length of stay for all acute patients (exclusive of swing bed patients) and will be presented at the UR Committee Meeting." The policy also requires the "reports will be part of the quarterly reports made to the hospital's governing body."
2. Provide regular reports on LOS to the BMH Board of Directors that includes a comparison to previous months and at least two previous years. Any significant change in LOS should be investigated to determine the cause of the change.
3. Continue regular training for the CMG that addresses the CMG's role in assisting hospital patients and ensure that LOS decisions rest with physicians.

# Alleged Conflicts of Interest

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## **ALLEGATIONS**

On May 30, 2012, Channel 8 published an article in which its author, Marissa Bodnar, quoted herself asking Bingham County Prosecutor Scott Andrew, “Is it a conflict of interest, though, if some of them are leasing buildings to the hospital and making a large amount of money? . . . I mean is it a concern?” (*Bingham Co. Commissioners Clarify Relationship with BMH*, May 30, 2012, Marissa Bodnar). The article went on to state, “According to 990 tax forms from 2009, board members Gordon Arave and John Fullmer each profited from a \$187,740 transaction by leasing physician office space to Bingham Memorial through their joint company, Crestwood Enterprises. In 2010, according to tax forms, that number was \$101,570.” (*Id.*).

Prior to publication of this article, Ms. Bodnar was meeting and coordinating with a group led by Bingham County Commissioner Ladd Carter and Bingham County Planning and Zoning Commissioner R. Lee Hammett. This group met on May 12, 2012 and, according to records obtained through a public records request, its objective was “the removal of specific directors of both the Board of Directors and executive staff” of BMH. At the meeting, allegations were raised with respect to buildings “either owned by Gordon Arave and / or the Arave family.” The group identified “[t]hree specific buildings.” -- The buildings identified were the “Billing and Accounting facility, a building on Rich Lane, and a medical building in Pocatello.”

## **CONCLUSION**

The BMH Board properly handled the leases of property from BMH Board Members. The square-foot costs for the building leases between BMH and BMH Board Members or their families were all at or below market value. The lease for the medical building in Pocatello (the “Pocatello Building”) was vetted and approved by non-interested board members. In response to an anonymous allegation concerning the Board’s handling of the lease for the Pocatello Building, the Attorney General’s Office conducted a review of the transaction to determine if there was a conflict of interest and warranted further review. In April of 2012, the Attorney General concluded that “no further action. . . is necessary.”

## **FINDINGS**

1. BMH has in place an existing Conflict of Interest Policy that satisfies state and federal recommendations on how a non-profit board of directors should handle conflicts of interest. It is nearly identical to the conflict of interest policy recommended by the IRS for nonprofit entities.
2. BMH leases the Pocatello Building from an entity in which one board member has an ownership interest and one board member previously had an ownership interest. BMH began leasing the Pocatello Building in October 2007.
3. BMH followed and satisfied its Conflict of Interest Policy with respect to the lease of the Pocatello Building. The potential conflict of interest related to the Pocatello Building was disclosed to and approved by the disinterested members of the BMH Board of Directors in accordance with BMH’s Conflict of Interest Policy.

4. In February 2012, and prior to its current inquiry into BMH, the Idaho Attorney General's Office sent a letter to BMH that attached an anonymous letter that alleged a conflict of interest with respect to the Pocatello Building. The Attorney General's Office requested a written response from BMH and any documents related to the lease of the Pocatello Building. BMH responded and provided the information requested. After reviewing the information, the Attorney General's Office sent BMH a letter dated April 16, 2012 stating that "no further action by [the Attorney General's] office is necessary".

5. BMH leased the Pocatello Building at or below market value. Prior to entering into the lease with BMH, the Pocatello Building was leased at an annual rate of approximately \$17.50/sq. ft. The original rent charged to BMH for the Pocatello Building was \$16.50/sq. ft. annually. Since then the rental rate has fluctuated between approximately \$13.50/sq. ft. and \$16.50/sq. ft. annually.

6. The allegations assert that BMH's 2009 IRS Form 990 reflects BMH board members Gordon Arave and John Fullmer each received \$187,740 in payments from BMH that year. This allegation is incorrect. BMH's 2009 Form 990 clearly states the "amount of transaction" is \$187,740 and the lease payments were made to Crestwood Enterprises, LLC. The 2009 Form 990 states Mr. Arave had a 37.5% ownership and that Mr. Fullmer had a 25% ownership in that entity, but it does not state the amount Mr. Arave or Mr. Fullmer ultimately received from the lease payments. The financial records of Crestwood Enterprises, Inc. were not audited as part of this investigation to determine the distribution to Mr. Arave and Mr. Fullmer from Crestwood Enterprises, LLC, but discussions with both of them confirm the actual money received was substantially less than their respective percentage interest in the payments from BMH due to normal business expenses associated with the operation of a building.

7. In 2004, BMH began leasing a building located on Highland Drive in Blackfoot (the "Highland Dr. Building"), which it continues to lease today. When the hospital originally leased the building it was a county hospital. BMH did not become a nonprofit entity until 2007. When originally leased by the hospital, the building was owned by A&G Properties. Mr. Dale Arave, the father of Board member Gordon Arave, owned a one-third interest in A&G Properties. Gordon Arave has never had any ownership interest in the Highland Dr. Building.

8. At one time, Gordon Arave owned an interest in BTG Investments ("BTG"), an entity owned by his parents, Dale and Coleen Arave. Gordon Arave sold his interest to his parents in the early 2000s.

9. In 2008, BMH leased a building located on Rich Lane in Blackfoot (the "Rich Lane Building"), which it continues to lease today. At the time, the building was owned by BTG, which at the time was still owned by Dale and Colleen Arave. In 2010, Dale Arave passed away and his interest in BTG passed to Colleen Arave who is now the sole owner.

10. Since the sale to his parents, Gordon Arave has had no involvement in BTG nor received any income from it. However, he is listed as a director of BTG in its filings with the Idaho Secretary of State. Gordon Arave stated that the forms were simply copied and recopied and filed with the Secretary of State, leading to his being improperly inclusion on the forms.

11. When originally rented in 2008, the monthly lease payment for Rich Lane Building was \$450 for approximately 3,000 square feet of storage space, or approximately 15 cents per square foot, which was at or below market value at the time. The current rent on the building is now \$463.50, an increase over four years of \$13.50. The Rich Lane Building is and has always been leased at or below market value.



12. BMH disclosed each of the leases described above on its 990 tax forms.

## **RECOMMENDATIONS**

1. Amend Conflict of Interest Policy to require directors and administrators to disclose annually in writing any known financial (ownership, investment, or management) interest a Board member, or a Board member's family, has in any business entity that transacts business with BMH.
2. Amend BMH policies to ensure that a proposed transaction of a significant dollar amount (dollar amount to be set by board) is reviewed to determine whether the proposed transaction involves a member of the BMH Board, a family member of the BMH Board, a BMH Administrator, or a family member of a BMH Administrator. The findings of this review should in each instance be reported to both the Board and the Finance Committee.
3. Ensure that review and discussion of the Conflict of Interest Policy and disclosure of potential conflicts of interest is a central part of orientation of new Board members and Administrators.
4. The BMH Board of Directors should review any ongoing or future transaction or agreement that poses a possible conflict of interest and review each in accordance with BMH's Conflict of Interest Policy.