

POLICY 1.04	Relationships with Industry	DOMAIN Stewardship
ELT Sponsor: Chief Executive Officer Policy Lead(s): Vice President, Mission, Ethics & Spirituality		Date Approved: June 24, 2025
		Date Effective: June 24, 2025
		Date of Next Review: June 2030

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NOTE: The first appearance of terms in bold in the body of this document (except titles) are defined terms – please refer to the Definition section

Policy Statement:

Covenant Health acknowledges the role of **industry** in advancing scientific knowledge and excellence in health care through development and marketing of new pharmaceutical products, medical technologies, devices and equipment, as well as hosting sponsored educational events, research activities, and staff training. Interaction with industry and **vendor** representatives is an integral part of day-to-day health care business.

However, it is expected that relationships with industry will not inhibit the exercise of independent, objective and evidence-based professional and clinical judgment, or risk placing personnel within a **conflict of interest**. Given that industry also has competing shareholder and market interests, it is not improbable that health care personnel may experience from time to time overt or subtle pressure in their interactions with industry representatives, inhibiting exercise of professional and clinical judgment.

Purpose Statement:

To provide direction and an ethical framework for managing relationships with industry to ensure integrity of professional and clinical decision making.

Applicability:

This policy applies to all Covenant Health facilities, staff, members of the medical staff, volunteers, students, board members, and to any other persons acting on behalf of Covenant Health (“personnel”).

Responsibility:

It is the responsibility of Covenant Health personnel to abide by all legal, regulatory, contractual, ethical, and professional standards of conduct in their relationships with industry. This includes regular reflection on one’s behaviour regarding potential influences or pressures that might impact professional and clinical decision-making. Covenant Health personnel will uphold the highest ethical standards in their relationships with industry, in keeping with their professional obligations and the fiduciary responsibilities they owe **patients**, resident and clients.

Covenant Health personnel also have the responsibility, at the time of commencing employment and subsequent performance evaluations, or annually, as part of determined by their position in the organization, and at any time in which a conflict of interest may arise, to sign off on the Code of Conduct, [Our Commitment to Ethical Integrity](#), and to disclose actual, potential or perceived conflicts of interest in their interactions with industry as per policy 1.03, [Conflict of Interest](#).

Principles:

Exchange of **gifts** and favours (including entertainment) are part of ordinary human behaviour and business practices, and are not, in themselves inherently wrong. Business gifts can build goodwill and strengthen business relationships. Our Covenant Health value of collaboration assumes that there will always be a give and take in any relationship, and by working respectfully together with industry can help achieve mutually beneficial ends, including the furthering of our mission and vision in provision of quality health care.

What is problematic is when receipt of gifts, no matter how nominal, can influence or compromise professional or clinical judgment. This policy is based on the following principles and approach, including the gifting thresholds described in 1.04.PROC.1 [Relationships with Industry Procedure](#), that have at their end:

- Preserving personal and professional judgment and integrity;
- Protecting the reputation of personnel, departments, and the organization;
- Mitigating even the appearance or perception of ethical compromise and scandal;
- Aligning with the Covenant Health mission, vision, values, ethical framework and Our Commitment to Ethical Integrity (code of conduct);
- Ensuring objective, scientific inquiry and research integrity, relying on appropriate funding sources that allows for exercise of independent judgment in designing and conducting research, and reporting study results;
- Promoting honest disclosure and managing actual, potential or perceived conflicts of interest;
- Reporting breaches to reduce future error and to promote shared learning/support;
- Upholding freedom to decline involvement with vendors now or in the future;
- Honouring all professional, regulatory, legal, contractual, tendering and procurement requirements and agreements;
- Ensuring participation in an activity or accepting anything does not give a vendor an unfair advantage or bias (real or perceived) or interferes in the Request for Proposal (RFP) process;
- Taking pro-active positions to positively influence industry behaviour.

Exercise of a Prudential Judgment

The above principles require exercise of a prudential judgment to weigh the benefit and risk of any action taken by personnel in their relationship with industry. Developing good judgment comes with experience, including those times when a person may have acquiesced to industry influence, or exerted influence themselves in the conduct of their work.

Practically speaking, this means it will be unrealistic to completely insulate oneself from all influences, whether it may come in the form of a gift, compliment, or personal favour. As social beings, we will always need to evaluate whether our actions are free from influence. It also implies that we are more likely to preserve personal and professional integrity by paying attention to our behaviour in everyday matters, which can serve to strengthen personal resolve when facing more significant pressures.

It is in this way that we act with prudence – reflecting on the consequences of our actions *before* committing to acting. It also means reflecting on our actions *after* and being honest with oneself when boundaries may have been compromised, reviewing under what circumstances, and by what particular influences.

Judging actions for their rightness or wrongness also implies we are honest with ourselves about our inner experience. It is hard to convince oneself that we acted correctly when lingering doubt, guilt or anger suggests otherwise. Exercise of a prudential judgment is possible only if we are committed to honesty, and be willing to ask questions of ourselves and others without blame.

Covenant Health's value of *integrity* supports this honest inquiry and commitment to a culture of discovery and improvement, whether it be learning from an adverse medical event, or learning from a vendor gift giving exchange that brings about a similar error in judgment.

Example areas of risk noted in the literature requiring honest inquiry, transparency and ongoing reflection by Covenant Health personnel in their interactions with industry include:

1. Disclosure – disclosing and managing all outside relationships with industry;
2. Gifts – accepting some or all gifts from industry representatives, especially if they violate contractual arrangements or create a level of influence otherwise not available to other vendors. Covenant Health's Conflict of Interest policy stipulates maximum one-time and annual gifting thresholds from single source vendors and for single event attendance (see, [Conflict of Interest](#));
3. Distribution of drug or product samples and devices, including pre-market samples – ensuring their age-related quality, tracking, dispensing and security;
4. Marketing – defining what kind of promotional materials and giveaways on visible items (i.e., crib cards, measurement tapes, discharge teaching materials) begin to influence decision-making or compromise perception of professional, scientific and institutional integrity;
5. Meals and hospitality – questions around the type, setting, locale and costs of meals, and whether they violate existing contractual arrangements, interfere with RFP processes, or create an unfair vendor advantage or bias;
6. Site access – whether granting access of industry representatives to direct clinical areas or senior management tables is appropriate, for what purposes and under what circumstances;
7. Industry-sponsored programs and events – how financial support should be provided (i.e., Grant-in-Aid) and boundaries in determining speakers, content, continuing education credit, or locale of events;

8. Ghostwriting – ensuring publications are not written in whole or in part by industry representatives.

While this is not an exhaustive list, there is an expectation that Covenant Health personnel are able to articulate, and defend, the rationale for their behaviour and why it does not pose a risk to the reputation of the organization, or constitute a conflict of interest. It is also expected that all Covenant Health personnel abide by the established gifting thresholds under the [Conflict of Interest](#) policy, as described below.

Definitions:

Conflict of Interest means a divergence between a person's own and/or their family's personal, financial or business interests and the person's professional obligations to Covenant Health such that an independent observer might reasonably question whether the person's professional actions or decisions are determined by considerations of personal gain, financial or otherwise. This definition extends to actual, potential and perceived conflicts of interest.

Gifts means any item of value, regardless of amount, provided free of charge and not part of a contracted purchase, including, but not limited to: pens, notepads and other promotional items, stethoscopes, journals, textbooks, drug samples, honorariums, educational sponsorship, meals and hospitality, liqueur, tickets to sporting or other events, etc.

Industry means any vendor conducting business with Covenant Health personnel including, but not limited to: pharmaceutical, device or other medically related companies; developers, construction and trade companies; benefit carriers, financial institutions, telecommunication and marketing vendor, etc.

Patient means all persons, inclusive of residents, who receive or have requested health care or services from Covenant Health and its health care providers or individuals authorized to act on behalf of Covenant Health. Patient also means, where applicable, a co-decision-maker with the person; or an alternate decision-maker on behalf of the person.

Personal Benefit means a benefit beyond the normal terms of the relationship with Covenant Health, to the person, their family and/or any business interest of the person, or their family, or the granting of special considerations or advantages by Covenant Health personnel to selected individuals, groups or businesses.

Vendor means an individual or company that supplies, or seeks to provide, goods and/or services to Covenant Health and includes contractors and suppliers and excludes Covenant Health representatives.

Relevant Covenant Health Policy and Policy Support Documents:

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| A. | Policies:
1.03 Conflict of Interest |
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Relationships with Industry	Effective Date June 24, 2025	Policy Number 1.04	Page 5 of 6
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	<p>I-30 Ethical Decision-making Framework</p> <p>III-70 Disclosure of Wrongdoings and Protection of Persons who Disclose Wrongdoings</p> <p>III-35 Just Culture</p>
B.	<p>Procedures:</p> <p>1.04.PROC.1 Relationships with Industry Procedure</p>
C.	Guidelines:
D.	Job aids:
E.	Standards:
Keywords:	
<p>References:</p> <p>“Alberta Health Services Code of Conduct,” Alberta Health Services, (Jan, 2010). See: https://www.albertahealthservices.ca/assets/about/policies/ahs-pub-codeof-conduct.pdf (Accessed April 8, 2019).</p> <p>“Alberta Health Services Conflict of Interest Bylaw,” Alberta Health Services, (April 2009). See: http://www.albertahealthservices.ca/Bylaws/ahs-byl-conflict-of-interest.pdf (Accessed April 8, 2019).</p> <p>Bouchard, Charles, E. “What is ‘Prudential Personalism’? Why Does it Matter?: Fr. O’Rourke Helped Retrieve a Vital Ethical Method in Catholic Theology,” Health Progress vol. 88, no. 2 (March-April 2007), 20-25.</p> <p>Brennan, Troy A. et al., “Health Industry Practices that Create Conflicts of Interest: A Policy Proposal for Academic Medical Centers,” Journal of the American Medical Association 295 (Jan 25, 2006), 429-433.</p> <p>Chervenak, Frank A. and Laurence B. McCullough. “Physicians and Hospital Managers as Cofiduciaries of Patients: Rhetoric or Reality?” Journal of Healthcare Management 48, no. 3 (May-June, 2003): 172-79; discussion 180.</p> <p>“Conflict of Interest,” College of Physicians and Surgeons of Alberta, October 2015. See: http://www.cpsa.ca/standardspractice/conflict-of-interest/ (Accessed March 6, 2019).</p> <p>Hamel, Ron and Michael Panicola. “Industry-Physician Relationships: A Call for Greater Distance: Catholic Health Care Systems Need to Join Others in Adopting Stricter Guidelines,” Health Progress vol. 90, 4 (July-August, 2009), 62-68.</p> <p>“Industry Relationships.” Winnipeg Regional Health Authority, (September, 2010). See: http://www.wrha.mb.ca/about/policy/files/10.00.110.pdf (Accessed April 8, 2019).</p> <p>“Interaction with Industry Policy,” John Hopkins Medicine Policy, 2010. See: http://www.hopkinsmedicine.org/Research/OPC/Policy_Industry_Interaction/policy_interaction_industry.html (Accessed April 8, 2019).</p> <p>“Code of Ethics & Business Conduct,” UMass Memorial Medical Center, August 2014. See: https://www.umassmemorialhealthcare.org/sites/umass-memorialhospital/files/Documents/About/Code%20of%20Ethics_801000_2015_03-06.pdf (Accessed April 8, 2019).</p> <p>“Relationships with Industry,” Health Professions Act, Standards of Practice. College of Physicians and Surgeons of Alberta, (January 1, 2010), 64-65. See: http://www.cpsa.ca/standardspractice/relationships-with-</p>	

Relationships with Industry	Effective Date June 24, 2025	Policy Number 1.04	Page 6 of 6
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industry/ (Accessed April 8, 2019)).

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Smith, Daniel C. and Bruce V. MacFayden, “Industry Relationships between Physicians and Professional Medical Associations: Corrupt or Essential?” *Surgical Endoscopy*, vol. 24, 2 (Feb, 2010), 251-253.

“Vendor Relations Guide for ‘Doing Business with Alberta Health Services (AHS)’,” Alberta Health Services, (April, 2010).

“Vendor Relationship Guidelines: An Ethical Framework,” Facilities Management and Planning & Projects, Covenant Health, (August 2010).

Wall, Lewis L, and Douglas Brown. “The High Cost of Free Lunch,” *Journal of Obstetrics & Gynecology* 110 (July 2007), 169-173.

Past Revisions:

April 30, 2019 – *previously numbered III-20*