DISCLOSURE OF OUTSIDE INTERESTS AND MANAGEMENT OF CONFLICTS OF INTEREST

The American Academy of Dermatology is a professional organization committed to advancing excellence in dermatology through the education and professional development of dermatologists, and to enhance the care of patients with dermatologic disorders. In order for the Academy to operate most effectively to further the purposes for which it is organized, it is important that Academy decisions and actions not be influenced or perceived to be influenced by any special interests of individual members. The integrity of the AAD is essential to maintain the confidence of physicians and the public. Therefore, it has always been and continues to be important to identify and manage potential conflicts of interest that might improperly affect Academy activities. Disclosure is the mechanism for identifying conflicts.

“Interests” are matters of significance to an individual and can be financial and nonfinancial. Financial interests are monetary such as wages, honoraria, stipends, stock, stock options, ownership, royalties, property, devices, and anything with monetary value (for further clarification on the ACCME definition of financial relationships and ineligible companies (formerly known as commercial interests), see the *note on page 3 or refer to the ACCME website: www.accme.org/standards). Non-financial interests are primarily intellectual and may include such things as authorship/publications, product development, promotions, appointments, honors and loyalties to other entities (e.g., member of another society Board, performing work for other entities, organizations, foundations).

For the purposes of this policy, “conflicts of interest” exist when there is a risk that the interest of a member covered by this policy has the potential to interfere with or conflicts with the interests or mission of the Academy to the extent that it may appear to affect the ability of the member to work in the best interests of the Academy.

The presence of an interest does not imply a conflict and not all interests pose conflicts. One may have interests that have no relevance to matters of interest and importance to the Academy, or to the work of the individual with the Academy.

“Relevant Interests” are those that bear on issues of importance to the Academy membership (both CME-related and non-CME related) and about which different constituents of the Academy membership might hold widely differing views. An example would be the interests/potential biases associated with a member being employed or engaged by a government agency, medical device or pharmaceutical company or other health services entity at a time when the member is in a position to influence the development of Academy position statements, policies or clinical guidelines.

Financial interests are disclosed as part of the Academy annual financial disclosure. It should be recognized that nonfinancial interests may present conflicts of interest when matters relevant to the interest are part of Academy business. Nonfinancial interests may also be reported during the annual disclosure process. Any circumstances which would cause reasonable Academy stakeholders to suspect that the professional judgment of a member covered by this policy on matters relating to Academy business may have been improperly influenced by some secondary interest can be considered a conflict of interest. Therefore, in the spirit of transparency and to avoid perception of bias or undue influence, participants are responsible for disclosing these interests at the time of discussion when working on relevant matters.

The Academy has adopted a formal system for the disclosure and evaluation of conflicts of interest.
The principal features of that system are described below.

Conflicts of Interest Examples

1. Interests that may affect significant economic transactions to which the Academy is or may be a direct party. An example would be ownership by an Academy officer of a company from which the Academy makes major purchases of goods or services.

2. Interests that might cause a representative of the Academy to abuse an Academy position to achieve objectives that are inconsistent with the purposes of the Academy. An example of such exploitation would be a council or committee chair advocating for a particular company or unfairly maligning a company that competes with a company in which the chair has a personal financial interest.

3. Interests that bear on issues of importance to the Academy membership and about which different constituents of the Academy membership might hold widely differing views. Examples include interests/potential biases associated with a member’s employment by a government agency, academic medical center, hospital, multispecialty group, single specialty group, solo practice, private equity owned group, insurance company, medical device or pharmaceutical company; ownership in an EHR or data registry company; being an investor or having ownership in a company that provides any type of medical services or medical education; serves as an advisor, owner or consultant to a health insurance company; or participation in any other similar activities when the member is in a position to influence the development of related Academy position statements, policies or clinical guidelines.

* [Note that for purposes of this conflict of interest policy, the Academy follows the definitions of financial relationships and ineligible companies (formerly commercial interests) adopted by the Accreditation Council of Continuing Medical Education (ACCME). The ACCME defines relevant financial relationships as financial relationships of any dollar amount if the educational content is related to the business lines or products of an ineligible company and that occurred in the 24-month period preceding the time that the individual was asked to assume a role controlling content of the CME activity. The ACCME has not set a minimal dollar amount—any amount, regardless of how small, creates the incentive to maintain or increase the value of the relationship. Financial relationships are those relationships in which the individual benefits by receiving a salary, royalty, intellectual property rights, consulting fee, honoraria for promotional speakers' bureau, ownership interest (e.g., stocks, stock options or other ownership interest (whether purchased or provided as compensation), excluding diversified mutual funds), or other financial benefit. Financial benefits are usually associated with roles such as employment, management position, independent contractor (including contracted research), consulting, speaking and teaching, membership on advisory committees or review panels, board membership, and other activities from which remuneration is received, or expected by the individual, his/her institution or his/her employer. The ACCME defines ineligible companies (formerly commercial interest) as any entity producing, marketing, re-selling, or distributing health care goods or services consumed by, or used on, patients. The ACCME does not consider providers of clinical service directly to patients to be ineligible companies (formerly commercial interests) - unless the provider of clinical service is owned, or controlled by, an ACCME-defined commercial interest.] Owners or employees of ineligible companies are prohibited from participating as planners, authors, speakers, or reviewers in accredited educational activities. It is important to note that owners of stock in privately held companies are considered owners of the company and are therefore ineligible to participate in the planning or provision of CME activities. There are three exceptions to this exclusion:

1 Note: these are examples and not exclusive. Other types of financial relationships and other health services entities may present conflicts of interest.
1. When the content of the activity is not related to the business lines or products of their employer/company.
2. When the content of the accredited activity is limited to basic science research, such as pre-clinical research and drug discovery, or the methodologies of research, and they do not make clinical recommendations.
3. When they are participating as technicians to teach the safe and proper use of medical devices, and do not recommend whether or when a device is used.

In many cases, with the exception of accredited education, disclosure of the financial relationships with ineligible companies (formerly commercial interests) will itself suffice to protect the integrity of Academy operations. In other words, once such an interest is fully disclosed to the other participants in any related Academy activity, those other participants will generally be able to evaluate and adjust for the possible influence of the disclosed interest. However, it is important to bear in mind that in certain situations, adequate protection of the interests of the Academy may require scrupulous avoidance of even the appearance of conflict of interest, abuse or impropriety. In those situations where mere disclosure does not appear adequate to mitigate the conflict of interest, additional action such as recusal from discussion or vote may be the appropriate course of action.

Disclosure Process

1. Identifying possible financial and non-financial conflicts of interest.

All participants in Academy activities are required to disclose financial relationships with ineligible companies (formerly commercial interests) and any healthcare-related financial interests, and interests related to issues relevant to the Academy project or activity. It is recognized that not all interests that benefit an individual are financial. While financial interests require annual disclosure, it is important to recognize that nonfinancial interests have conflict potential, thus when relevant topics arise, such interests should be verbally disclosed. In some activities and with certain Academy positions (officer, board member, council chair, clinical guidelines workgroup member), non-financial interest reporting may be required.

2. Identifying possible conflicts of interest by individuals occupying leadership positions.

The individuals covered by this section are the officers, all other members of the Board of Directors, the editors of Journal of American Academy of Dermatology (including deputy editor, associate and assistant editors) and the editor of Dermatology World, all chairs and members of councils, committees, task forces, ad hoc task forces, workgroups and senior staff. Annually, the individuals covered will be required to sign and submit a disclosure statement acknowledging a duty to serve the Academy in good faith and with undivided loyalty. These individuals must describe all personal or professional circumstances that might create a private interest in conflict with the interests of the Academy.

In addition, “Key Leaders,” including the president, president-elect, immediate past president, secretary-treasurer, assistant secretary-treasurer, executive director, JAAD editor and JAAD deputy editor, will be required to divest themselves of any “direct financial relationships” with industry

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2 Also review the Board Governance Policy on Restrictions on AAD/A Officers and JAAD Editors
3 Inclusive of all the titles under the umbrella title of JAAD
4 Inclusive of all the editors and deputy editors under the umbrella title of JAAD.
5 For purposes of Key Leader disclosures, the definition of direct financial relationship is a compensated relationship held by an individual that should generate an IRS Form W-2, 1099 or equivalent income report. Key Leaders may provide uncompensated service to for-profit companies and accept reasonable travel reimbursement in connection with those services. Key Leaders may accept research support as long as grant money is paid to the institution or practice where the research is conducted, not the individual. Compensation (e.g., royalties) from intellectual property rights does not need to be divested. Exception may be made in certain circumstances for provision of consultant or investigator expertise related to protocol development and/or safety monitoring as long as the activities are not related to marketing or promotional efforts. In this event, the secretary-treasurer must be provided with background information and approval must be provided in advance for an exception to the policy. In these circumstances, compensation to the individual may not exceed $10,000/company/year.
during their entire term, utilizing the time from the close of the election to the time they take office to complete the divestiture process.

Members who do not disclose annually and who fail to update their disclosure within 30 days of acquiring a new financial relationship will lose the right to hold office, serve in the governance structure and, except in unusual circumstances approved in advance by the Board of Directors, to participate in Academy programs.

Review Process for Service on a Council, Committee or Task Force (CCTF)\(^6\)
Members serving on a CCTF cannot have an outside interest that is an inherent conflict with the mission of the CCTF to which they are appointed. The following is the process for evaluating and managing potential conflicts.

a. Officers, directors, chairs and members of councils, committees, task forces, ad hoc task forces, and workgroups, the editors of *JAAD* and *Dermatology World* and senior staff will submit their disclosure statements online on the AAD Website.

b. The disclosure statements for those members will be forwarded to the appropriate chair to review. The chair will review and forward to the secretary-treasurer those statements for members that appear to have conflicts that could prevent them from serving in the appointed capacity.

The secretary-treasurer will review the disclosure statements and make a final determination as to whether the appointee needs to vacate the position or divest/discontinue the conflicted activity. The secretary-treasurer may consult with the Professionalism and Ethics Committee or other leadership as required.

Managing Outside Interests

It is the responsibility of the chair or deputy chair within the Academy’s governance structure to ensure that outside interests are disclosed and managed appropriately as they pertain to committee business. The following outlines expectation for how high, moderate and low conflicts are generally to be managed in accordance with the guide at the end of this policy. The chair or deputy chair may consult with the secretary-treasurer as needed.

a. If a member has a **High** level of conflict due to an active financial interest or intellectual interest associated with a high-risk entity related to the content of the CCTF’s work, then they should recuse themselves from discussion, authorship and voting on that work;

b. If a member has a **Moderate** level of conflict due to a) an active financial or intellectual interest associated with a low risk entity related to the CCTF’s work or b) an active financial or intellectual interest associated to a high risk entity but not related to the CCTF’s work, then s/he should generally participate in discussion but may need to limit authorship and voting at the discretion of the chair.

c. If a member has a **Low** level of conflict due to inactive financial interest as defined in the chart, then full participation is appropriate except with regard to CME activities.

For several key leaders within the AAD/A governance structure, stricter management of outside relationships, including non-financial relationships, is warranted. This is due to several factors, including the extensive time commitment (presenting a conflict, for example, if roles in other organizations impose competing time requirements), scope of authority (since these leaders have

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Verifying 1099 forms must be submitted to the secretary-treasurer when received. This exception may not be applied to the president, who shall remain free from any and all direct financial relationships during his/her term of office.

\(^6\) CCTF is defined as the Board of Directors, council, committee, task force or any other entity within the AAD/A governance structure.
far-reaching influence not only at the AAD/A but throughout dermatology), lack of oversight (as there is often no designated person or body monitoring the activities of these leaders), and precedent for stringent management of outside financial relationships (in the form of required divestiture) associated with these positions. Therefore, these leaders are prohibited from certain activities and/or relationships.

3. Standing Rule Regarding Disclosure of Interests by Participants in Debate at an Academy Membership Meeting. As suggested by the terms of the rule, its basic purpose is to inform the audience of aspects of a speaker’s personal or professional circumstances that might affect the speaker’s attitude or judgment regarding the particular matter under consideration. Written notice of this rule is to be included with membership meeting notices, and the rule is also to be announced at each meeting by the presiding officer.

4. Continuing Medical Education and Maintenance of Certification Activities. As a CME provider accredited by the ACCME, the Academy has established policies and procedures to identify and mitigate conflicts of interest for all individuals in a position to control the content of an educational activity. This includes but is not limited to all leadership in a position to influence content planning committee members, session directors, speakers (“faculty”), presenters, moderators, authors, peer reviewers, and staff. Note for accredited education purposes, all conflicts are mitigated and disclosed to learners. Low, moderate, and high levels of conflict do not pertain to accredited education.

5. Standing Rule Regarding Disclosure of Interests by Planning Committee Members, Session Directors, Speakers (faculty), presenters, moderators, authors, peer reviewers for Academy Education Activities. As in the case of the rule regarding disclosure during debate at a business meeting of the Academy membership, this rule is intended to bring possible bias to the attention of the learners so that they are able to evaluate the program content accordingly. Written notice of this rule is to be provided to session directors, speakers (faculty), presenters, moderators, authors, peer reviewers.

6. Evidence-Based Clinical Guideline Development. The Academy is committed to minimizing the potential for health industry influence on the development of clinical guidelines of care and creating these documents with full transparency. Guideline workgroup members are required to disclose all relevant conflicts prior to their workgroup appointments and throughout guideline development in order to identify, mitigate and manage conflicts. Refer to the administrative regulation that details the requirements for disclosure and management of all guideline contributors and approving bodies during guideline production and review.

7. \textit{Journal of the American Academy of Dermatology (JAAD)} Conflict of Interest Statement. The disclosure of a conflict of interest seeks to identify sources of bias that might affect the presentation of scientific analysis or opinion. It relates to disclosure of certain types of interests by the authors of manuscripts submitted for possible publication in \textit{JAAD}. The primary areas of concern are:

(1) financial support from pharmaceutical and device companies or other commercial interests for research that is the subject of a \textit{JAAD} manuscript and

(2) Financial interests on the part of authors in any products or services related to the subject matter of a \textit{JAAD} manuscript.

Disclosure of any conflict will alert the editors to the possibility of bias in the presentation, and it might also be appropriate in certain circumstances to publish information about the disclosed interest with the article in question so that each reader will have an opportunity to evaluate and adjust for the possible bias.

Because proper disclosure by each individual author, speaker, member or Academy leader is essential if the system is to function satisfactorily, it is important for everyone involved to approach with the proper perspective the question of what types of circumstances call for disclosure. The purpose of the procedure
is not to discourage all involvement by Academy members in outside activities that might produce conflicts with interests of the Academy. Neither is the objective to intrude into aspects of an individual's professional or personal life that are, realistically, unlikely to have any significant bearing on Academy activities. Common sense should guide all decisions about what to disclose, and one reasonable test is whether a particular circumstance, interest or relationship, if made known to the full membership of the Academy or to the general public, would be likely to create the perception of impropriety, cause embarrassment for the Academy and/or the individual involved, or evoke suspicion about the motives behind any Academy action.
Guide for Assessing Conflict of Interest Levels
- Financial: involves money/monetary value, e.g., wages, honoraria, equipment, royalties
- Nonfinancial: intellectual, not involving money e.g., publications, editorial involvement, officer, Board or committee member of another organization
- Direct: benefit applies to the AAD member
- Indirect: benefit applies to another person/party e.g., spouse income, funds paid to department or institution for AAD member’s work
- Active: current
- Inactive: not current but existed within past twenty-four months

The severity of a COI guides management of the conflict. The following table, adapted from the American College of Physicians (ACP), assists in determining severity and management of COI. Some AAD activities, such as those generating clinical practice guidelines and accredited education may take more stringent approaches to managing conflicts of interest due to commonly accepted external standards.

<table>
<thead>
<tr>
<th>CONFLICT OF INTEREST LEVEL⁷</th>
<th>High</th>
<th>Moderate</th>
<th>Low</th>
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<tbody>
<tr>
<td><strong>TYPE OF INTEREST</strong></td>
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<tr>
<td>Active financial interest associated with a high-risk* entity and related to the content of the AAD work.</td>
<td>• Direct or indirect</td>
<td>• Active financial interest associated with a low-risk entity and related to the AAD work</td>
<td>• Inactive financial interest</td>
</tr>
<tr>
<td>Active non-financial (intellectual) interest associated with high-risk entity and related to content of AAD work one is involved in</td>
<td>• Direct or indirect</td>
<td>• Active financial interest associated with a high-risk entity and not related to the AAD work</td>
<td>• Direct or indirect</td>
</tr>
<tr>
<td>Non-financial interest associated with a low-risk entity and related to the AAD work</td>
<td>• Direct or indirect</td>
<td>• Active indirect non-financial interest associated with a high-risk entity and related to the AAD work</td>
<td>• Non-financial interest associated with a low-risk entity and not related to the AAD work</td>
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| CONFLICT MANAGEMENT APPROACH | Consider limiting discussion, authorship and voting. | Discussion generally allowed; consider limiting authorship and voting. | Participation generally not restricted |

*High risk entities – are those with substantial financial interest in healthcare-related entities, such as the pharmaceutical or insurance industry; device and equipment manufacturers, EHR and data registry companies, etc.
**Low risk entities are those with little financial interest, such as government or nonprofit organizations not focused on a specific clinical area of interest to the issue of involvement or work.

⁷ Used with permission from the American College of Physicians