



**Position Statement**  
**on**  
**Contemporary Issues: Conflict of Interest**  
**(Approved by the Board of Directors: August 2, 2008;**  
**Revised May 20, 2017)**

Concern about conflict of interest by regulatory bodies such as the Accreditation Council for Continuing Medical Education (ACCME), American Association of Medical Colleges (AAMC), Centers for Medicare and Medicaid Services (CMS), Office of the Inspector General (OIG), and Congress has intensified recently. The medical community and lay press continually highlight failures of individuals and institutions to disclose and appropriately manage financial ties with industry. As medical research, professional education, health care, and institutional management have become more complex and expensive, the pressure to form collaborative relationships with industry has grown and the task of managing conflicts of interest has become more challenging. In order to maintain the public trust and professional autonomy, medical professional associations, including the American Academy of Dermatology (AAD), expect no less than complete transparency and objectivity among members participating in these activities.

Frequently the discussion about conflict of interest focuses on a financial interest, but other forms of secondary interest can lead to conflicts as well, such as membership in a professional organization, desire for professional advancement, having a family member with a significant conflicted relationship, or having an emotional attachment to a secondary cause.

Organizations operate best in a climate of trust, openness, and objective decision-making, believing that all members are putting the interests of the organization and its constituents first. This is also part of the fiduciary responsibility of elected and appointed leaders in these organizations.

Inevitably, relationships influence an individual's opinions, behavior, participation in group discussions and decision-making. The mere existence of a relationship is not categorically improper. It is only when a relationship leads to a secondary interest that causes undue influence over the individual's primary interest that a potential conflict arises. Recognizing a potential conflict because of that relationship and managing it appropriately are essential to achieving an unbiased outcome in an organization.

Recognizing relevant relationships and managing them can be a difficult process. At a continuing medical education (CME) event, for example, the speaker and audience may have differing opinions about whether a relationship is material and should be disclosed. It is in the best interests of the organization and the public to maintain effective policy for acknowledging and managing potential conflicts. It is not possible, nor is it necessary, to eliminate all perceived, potential, or real conflicts of interest. The existence of a potential conflict is not necessarily a problem; it is how individuals and institutions respond to potential conflicts that may be problematic. All members must take responsibility for establishing a climate of objectivity, but those in positions of authority have a special responsibility to encourage transparency, welcome open inquiry, and push for resolution of any potential bias.

**Definition**

A conflict of interest is a set of circumstances that creates a risk that professional judgement or actions regarding a primary interest will be unduly influenced by a secondary interest.<sup>1</sup>

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<sup>1</sup> IOM (Institute of Medicine of the National Academies). 2009. *Conflict of Interest in Medical Research, Education, and Practice*. Washington, DC: The National Academies Press. <https://www.nap.edu>.

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While conflicts of interest may apply to a wide range of behaviors and circumstances, in the context of a professional organization, they tend to involve the use (or potential use) of a person's authority for personal and/or financial gain (secondary interests) rather than the best interests of the organization (primary interest). For professional associations, conflict of interest is often defined as a situation in which a personal or financial interest conflicts with the objectives and purposes of the association as set forth in its bylaws.

#### Examples of Potential Conflicts of Interest

Examples of conflicts which could result in placing one's self-interest or a third-party interest above that of the association include:

- Advocating for an activity or discussion that would benefit an individual's own company or other organization in which the individual has a personal or financial interest, whether or not it is consistent with the mission of the Academy
- Using a leadership position, such as Board membership, for personal or third-party gain
- Using information that is proprietary or confidential or otherwise not generally known to the public that has been made available because of an individual's position for personal advantage
- Knowingly accepting a service, discount, concession, fee for advice or other thing of value from a person or organization with an interest in an issue or transaction under discussion by the Academy.
- Withholding disclosure of relationships with industry, institutions, and other organizations.
- Presenting unsupported information or data that have been biased or unduly influenced by a personal or financial relationship
- Participating in discussions on policy issues relating to other professional organizations with which the individual has a fiduciary relationship
- Spouses or other first-degree relatives (children, parents, and siblings) who are executives or have an interest in other organizations or companies

#### Disclosure

Conflicts of interest must be recognized and managed. Disclosure of all relationships with the potential to bias judgment of the individual is the first step. In a CME lecture, for example, the audience must be made aware of these relationships and their potential influence on decisions, discussions, or actions. Often disclosure of the conflicting interest will protect the integrity of the situation. Once disclosed, the audience will be able to evaluate and adjust for the possible influence of the disclosed interest. Disclosure may not suffice in some circumstances, as it may not be clear to the audience how to interpret the potential effect of the disclosed relationship(s) or how to further remedy those effects. Appropriate resolution of the effects of problematic relationships may require action beyond disclosures to ensure objective discussion and decision-making.

#### Resolution beyond Disclosure

The disclosing individual, the oversight individual or group, and the audience all have responsibilities in managing and resolving actual or potential conflicts of interest for which disclosure is not sufficient. In such circumstances, the disclosing individual should take action to manage the conflict through mediation, recusal, divestiture of the secondary interest or resignation. Ultimately, the organization is responsible for resolving the conflict, and should enforce the remedies above. An actual, potential or apparent conflict of interest for which disclosure does not suffice may be resolved in one of the following ways:

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- Recuse the individual from all decision-making related to the relevant transaction which gives rise to the conflict, but allow the individual to participate in discussion and deliberations about the transaction.
- Recuse the individual from all discussion, deliberations, and decision-making related to the relevant transaction that gives rise to the conflict.
- Require that the individual eliminate the secondary interest before continuing to participate in the transaction that gives rise to the conflict.
- Determine that the individual has a pervasive and continuing conflict and, therefore, must resign his or her position with the organization.

#### Academy Policies and Procedures

The American Association of Society Executives Web site emphasizes the high priority of conflict of interest policy among the associations it represents. The American Medical Association (AMA) published conflict of interest guidelines for medical societies in 1999 that are still applicable today. The American Academy of Dermatology (AAD) has also adopted guidelines that are consistent with AMA policy.

The AAD Board of Directors and any appointees of the Academy must act at all times in the best interests of the Academy and not for personal or third-party gain or financial benefit. The Academy has long understood the need for comprehensive disclosure policies and first developed an Administrative Regulation (AR) on Policy and Procedures Regarding Actual or Potential Conflicts of Interest to reflect its perspectives 20 years ago. This AR, which was initiated in 1988, has been revised as recently as August 2013 [see AR at [www.aad.org](http://www.aad.org)]. The AR states, "It is important that Academy decisions and actions not be unduly influenced by any special interests of individual members."

The language in the disclosure form that all individuals within the AAD governance structure must review/update annually states "I occupy a position of trust and that I am expected to act at all times in good faith and without bias or favor to outside interests. Whenever my outside interests or other responsibilities potentially conflict with my duty to the Academy, I will declare these potential conflicts and will act in such a manner as to avoid even the appearance of using my position to advance any personal interest or the interest of any individual or entity with whom I have a significant relationship. In particular, I will not act in a way inconsistent with the purposes and interest of the Academy."

The AAD is committed to clarity and transparency in our conflict of interest policies, especially in the areas of governance, education, and scientific publication. All individuals in the Academy governance and educational structure are required to disclose their own and their first-degree relatives' relationships with industry, employers, other associations or any other organization that could create a private interest in conflict with the Academy's interest as well as those of their first-degree relatives. Comprehensive disclosure forms are maintained in the Academy's offices and on the Academy's Web site. Disclosure statements are circulated prior to any meeting or educational activity for viewing by attendees or participants. The opportunity to review or update disclosure statements is provided at the beginning of each session.

As the current AR states, in order to determine whether actual, potential or apparent conflict could prevent service to the Academy, Council chairpersons review their constituent members' disclosure statements. If any appear to have conflicts that could prevent them from serving, they are forwarded to the Secretary-Treasurer with any relevant observations or recommendations. The Secretary-Treasurer reviews the statements submitted and, if further review is required, forwards the statements to the Professionalism & Ethics Committee. The Professionalism & Ethics Committee then initiates any request for further information and reports its findings to the Secretary Treasurer and then to the Board of Directors.

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As the AR currently states, "Because proper disclosure by each individual author, speaker 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 procedures is not to discourage all involvement by Academy members in outside activities which might produce actual or potential conflicts with interests of the Academy. Neither is the objective to intrude into aspects of an individual's professional or personal life which 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 cause embarrassment for the Academy and/or the individual involved or evoke suspicion about the motives behind any Academy action."

The Academy is dedicated to providing CME that is independent, fair, balanced, objective and free of commercial bias. The Academy AR also applies the same standards of disclosure and avoidance of actual, perceived or potential conflicts of interest to authors of Academy publications and speakers at Academy educational meetings. Comprehensive disclosure, review by editors and oversight panels, and resolution of conflicts by directors and editors are essential steps in assuring the fair and balanced presentation of scientific information

#### Summary

Academy members in leadership positions should understand that they occupy a position of trust and are expected to act at all times in the best interests of the Academy, in good faith, and without undue bias or favor to outside interest. Whenever outside interests or other responsibilities potentially conflict with duty to the Academy, these must be declared. Members certify that they will act in such manner as to avoid even the appearance of using positions to advance any personal or other secondary interest. If an actual, potential, or apparent conflict is detected, policies are in place to resolve such conflicts. All authors of Academy publications and speakers at Academy meetings adhere to the same principles of disclosure and avoidance of conflict of interest for the fair and balanced presentation of scientific information that guides practice. Any member who speaks at the Annual Business Meeting or Advisory Board Meeting must verbally disclose any potential conflicts of interest before speaking. The Academy is committed to transparency and objective decision-making at all organizational levels.

*This Position Statement is provided for educational and informational purposes only. It is intended to offer physicians guiding principles and policies regarding the practice of dermatology. This Position Statement is not intended to establish a legal or medical standard of care. Physicians should use their personal and professional judgment in interpreting these guidelines and applying them to the particular circumstances of their individual practice arrangements.*