Drexel University College of Medicine
In the tradition of Woman's Medical College of Pennsylvania and Hahnemann Medical College

BACK

ANNUAL CERTIFICATION OF COMPLIANCE WITH CONFLICT OF INTEREST AND APPLICABLE LEGAL AND ETHICAL GUIDELINES

PART 3 OF 3
LEGAL GUIDELINES AND BASES

All **Members of the University Community** owe a duty of undivided and unqualified loyalty to the **University** and may not use their position to profit personally or to assist others in profiting in any way at the expense of or to the detriment of the **University**. This duty derives from several sources, including the following:

1. Pennsylvania Common Law

As a matter of Pennsylvania law, all **Members of the University Community** owe a duty of loyalty to the **University**. Pursuant to this duty, **Members of the University Community** are required to act with the utmost good faith in the furtherance and advancement of the **University's** interests. Sylvester v. Beck, 406 Pa. 607, 178 A.2d 755 (1962).

2. Physician Self-Referral Prohibition

Under the Stark Law, physicians are prohibited from referring Medicare and Medicaid patients for certain designated health care services to entities in which the physician or an **Immediate Family Member** has a financial interest. 42 U.S.C. § 1395nn(a)(1).

3. Anti-Kickback Statute

This criminal statute proscribes the offering, payment, solicitation or receipt of any remuneration in exchange for a patient referral or referral of other business for which reimbursement may be made by any Federal health care program. 42 U.S.C. § 1320a-7b(b).

4. Tax Issues

As a nonprofit tax-exempt entity, the **University** has a legal obligation to engage in activities only in furtherance of its charitable purposes and must ensure that its resources are used only in a manner that furthers the public good rather than the private or personal interests of any individual. Any inurement of the **University's** tax-exempt status to the benefit of an individual or for-profit entity could result in significant tax penalties or the loss of the **University's** tax-exempt status.