

Community Healthlink Policy and Procedure Manual		
Section: 10 External Environment	Policy Number: 10-5	Effective Date: 10/01/02
Title: Policy on Vendor Gifts, Entertainment and Sponsored Meetings and Training		Review Date: 7/1
Scope: All staff		Originated: 10/01/02
References: UMMHC Policy		
Revised:		

Purpose:

To clarify for all Community Healthlink employees the policy on accepting vendor gifts, or funding for meals or entertainment, meetings or training as part of regular duties and responsibilities. CHL takes seriously the potential negative influence of gifts or funding of the above expenses on health care costs and independent judgement. Therefore we adopt the following policy.

Federal law bars the payment or receipt of remuneration in return for directly purchasing, leasing, ordering, or recommending the purchase, lease or ordering of any goods, facilities, services, or items covered under the benefits of the Medicare or Medicaid programs. Massachusetts’s law applies these same prohibitions to patients/clients, regardless of payer source.

Federal and state fraud and abuse and anti-kickback statutes are designed to prevent fraud in the Medicare and Medicaid programs and abuse of the public funds supporting the programs by ensuring proper utilization of goods and services and protecting against reduction in patient/client choice. These laws are intended to prevent unnecessary tests, services and supplies and to ensure that decisions regarding tests, services and supplies are based on the quality of the goods or services provided and not on any financial incentive or inducement given to the person ordering the goods or services.

Additionally, these laws prohibit healthcare providers, such as CHL, and CHL employees from knowingly and willfully offering, paying, requesting, or receiving any money or other benefit, directly or indirectly, in exchange for the ordering or purchasing of any good or service which is reimbursed, in whole or in part, by the Medicare or Medicaid programs.

This policy is intended to provide guidance in two specific areas which give rise to the issues discussed above: a) gifts, entertainment (including meals) and, b) vendor sponsored meetings (including honoraria) and training.

Definitions:

- a) Remuneration – Cash, items of value or in-kind services.
- b) Meetings – Any gathering involving CHL employees where vendor/supplier funds are used for food or other accommodations. Such gatherings would include but not be limited to medical staff meetings, staff lunches, monthly or annual departmental or divisional meetings.
- c) Sponsorship – Vendor/Supplier funding
- d) Vendor promotional training - Training or education provided by any person or entity for the purpose of promoting products or services, including vendor sponsored seminars.

Policy:

A. Gifts and Entertainment

CHL recognizes that business dealings may include an occasional shared meal or other social event, which may represent an appropriate business expense and/or activity depending upon the circumstances. Further, gifts may be received by CHL employees which are of such limited value that they could not reasonably be perceived as an attempt to affect the judgment of the recipient. The receipt of any gift under circumstances that could be construed as an improper attempt to influence the employee member's decisions or actions is inappropriate.

1. Gifts

Token promotional gratuities from suppliers to individuals, such as advertising novelties marked with the donor's name, or educational materials are acceptable gifts provided the fair market value of the items is less than \$50 in any one year from any one organization, and that the gift is not given as a quid pro quo for the employee's decisions or actions. Medical textbooks contributed to CHL's library are excepted from the \$50 per year limitation. Such contributions may not be made to individual physicians or other caregivers.

Additionally, vendor representatives may only distribute materials to CHL staff with the approval of the Director of Quality Management and Training, VP of Operations or the CEO.

Gifts of equipment or other assets by vendors to CHL must be approved by the CEO.

Employees are not to solicit personal gifts in any form, regardless of their value. If any CHL employee receives or is offered a gift that violates this policy, the gift should be returned to the donor and reported to the employee's vice president and the Compliance Officer.

2. Entertainment

a) Accepting Offers

In order to avoid the appearance of being improperly influenced by individuals or entities which have or seek business with CHL, invitations to attend or participate in social events, including meals, received from such persons or companies may be accepted provided that:

- The value does not exceed \$100 per person,¹
- No travel or overnight lodging costs is involved,
- The invitation does not serve as a quid pro quo for favorable business action, and
- Such business entertainment is infrequent with respect to any one organization, and does not exceed once per year.

Multiple events occurring on the same day and offered by the same individual or entity are considered one event for purposes of applying the \$100 limitation. For any ticketed event, the cost of the event is the face value of the ticket unless the recipient is aware that the giver paid more than the face value, in which case the cost is the amount actually paid.

¹ Fundraising events sponsored by CHL are excluded from this limit.

Requests for approval to accept meals or entertainment in excess of the \$100 limit or which involve overnight stays or travel must be in writing and approved by the CEO. Employees may not accept the use of supplier/vendor property, airplane transportation, travel packages, or similar favors without approval from the CEO.

b) Entertainment - Extending Offers

In order to avoid the appearance of impropriety, invitations for meals or entertainment using CHL funds, to current or potential business associates should not exceed \$100 per person per event or be more frequent than once per year. In no event may travel (other than local transportation) or overnight lodging be provided. Invitations should never be intended to induce any favorable business action, and should not be extended to any individual or entity in a position to refer patients to CHL facilities or professional staff members. Expenses associated with recruitment of candidates for employment are exempted from this policy provision.

B. Vendor Sponsored Meetings and Training

1. Meetings

Clinical departments may accept sponsorship of CHL meetings provided that:

- The purpose of any such meetings and the time and effort associated with the meetings are primarily educational. For example, a lunch sponsored by a pharmaceutical company for residents or for the staff on an inpatient unit with no clear educational purpose is not acceptable; a similar lunch with a clear educational purpose is acceptable.
- Funds for the sponsorship of these meetings are contributed beforehand to the clinical department under the direction of the Director of Quality Management and Training or Clinical departments:
 - Determine the date, agenda and speakers
 - Acknowledge sponsorship of the meeting
 - Ensure the reasonableness and appropriateness of expenses associated with the meeting
- Such sponsorship is reasonable. No one sponsor should be permitted to sponsor a disproportionately large number of educational forums.
- No presentations, advertising, or solicitation by the sponsor or representative of the sponsor during or in conjunction with the forums. No pamphlets or other vendor materials should be disseminated in conjunction with meetings.

2. Honoraria/Scholarships or Donations

CHL employees who are invited to present at or lead conferences or meetings may accept reasonable honoraria and reimbursement for travel. Individuals not leading or presenting may not accept honoraria or reimbursement for travel. Reimbursement for travel and out-of-pocket expenses should cover only the date or dates of the employee's presentation or, if leading the conference; the dates of the conference, and the time needed to travel to and from the conference. Scholarships or other special funds donated by industry to permit medical students, residents, fellows and other staff to attend educational conferences are acceptable if the department selects

the person who will attend the conference and the conference is an educational, certification or policy-making meeting.

3. Consulting Arrangements

a) Clinical Trials/Product Development

CHL employees attending meetings on the following topics may accept reasonable compensation and reimbursement for travel if CHL employees are directly involved in:

- Design of a new clinical trial or conduct of an existing clinical trial with which CHL is involved
- Development of a new diagnostic, therapeutic or technical product
- Development of an educational product

Acceptance of compensation or reimbursement for travel for attendance at meetings which do not meet the above criteria is not appropriate. For example, pharmaceutical companies routinely offer honoraria, meals, and travel expenses to physicians in return for their attendance at meetings at which their ostensible “consultations” or opinions about a new product are solicited, but which are actually occasions for prolonged promotional presentations. Acceptance of compensation or reimbursement for attendance at these meetings is not appropriate.

Reimbursement for travel and out-of-pocket expenses should cover only the date or dates of the meeting and the time needed to travel to and from the meeting.

b) Other

Compensation for other consulting arrangements must be reasonable and appropriate in relationship to the services provided. These arrangements therefore should adhere to guidelines provided under section IV. B. 2. Honoraria/Scholarships or Donations and, IV. B. 3. Consulting Arrangements above. All such arrangements must be approved by the CEO.

4. Vendor Promotional Training

Vendor promotional training, including travel and lodging, may be accepted when the business value to CHL outweighs any recreational or entertainment value of the training event, provided that the employee wishing to participate in the training obtains approval of his/her vice president, or CEO, before accepting the invitation. In making the determination, the vice president or CEO must obtain a course description or agenda and determine the amount of time to be spent on substantive matters as compared to recreational or entertainment activities. The amount of time engaged in substantive matters must predominate in order for acceptance to be approved. The vice president or CEO may seek guidance from the Compliance Officer to assist in his/her determination, however, the best rule to follow is, when in doubt, refuse the offer.

I. Procedure

Anyone found in violation of this policy will be subject to appropriate disciplinary action.

If CHL employees have a question concerning the interpretation of this policy or, its applicability to a particular circumstance, they should first consult with their supervisors. If the employee's supervisor is unable to answer the question or provide appropriate guidance or, if, because of the circumstances, it would be inappropriate to discuss the matter with the supervisor, then the employee should contact the Compliance Office for advice. If any CHL employee is aware of any violation or threatened or potential violation of this policy or, suspects that a violation of this policy has occurred, the employee must refer to the Code of Ethics and Business Conduct for instructions regarding appropriate actions.

Summary of Policy 10-50 on Vendor Gifts, Entertainment and Sponsored Meetings and Training

Purpose:

Federal law prohibit healthcare providers, such as CHL, and CHL employees from knowingly and willfully offering, paying, requesting, or receiving any money or other benefit, directly or indirectly, in exchange for the ordering or purchasing of any good or service which is reimbursed, in whole or in part, by the Medicare or Medicaid programs. Massachusetts's law applies these same prohibitions to patients/clients, regardless of payer source.

This policy 's purpose is to clarify for all Community Healthlink employees the policy on accepting vendor gifts, or funding for meals or entertainment, meetings or training as part of regular duties and responsibilities.

General Guideline: In general, CHL and CHL employees should not accept gifts from vendors.

Gifts: It is acceptable to take a gift if:

- Under \$50 value from one company is acceptable as long as it is not in exchange for your favorable decision or action.
- Medical textbooks are given directly to the CHL library, and not an individual
- Vendor representatives may only distribute materials to CHL staff with the approval of the Director of Quality Management and Training, the VP of Operations or the CEO.
- Gifts of equipment or other assets by vendors to CHL must be approved by the CEO.
- Employees are not to solicit personal gifts in any form, regardless of their value.
- If any CHL employee receives or is offered a gift that violates this policy, the gift should be returned to the donor and reported to the employee's vice president and the Compliance Officer.

Entertainment Offers: It is acceptable to take an entertainment offer if it is:

- Under \$100 value;
- Does not involve overnight lodging;
- Is not more than once per year per organization; and
- Not in exchange for your favorable decision or action.

Vendor Sponsored Meetings and Training: Vendors can sponsor a meeting or training if:

- The purpose is education and no advertising is done by the vendor.
- Arranged through the Director of Quality Management and Training or Clinical departments.

For further information and the complete policy, please see Policy and Procedure 10-5.