

Title: Gifts and Entertainment (#157)
Scope: Administrative Policy and Procedure
Manual: Administrative
Origination Date: 7/30/2007
Revision Dates: 03/08/2018
Review Dates: 8/3/09, 8/29/11, 09/23/2013

I. Purpose:

This policy describes St. Luke’s University Health Network’s position on giving, receiving or soliciting of gifts and entertainment to avoid improper influence or the appearance of improper influence of business decisions. This policy provides further guidance on the illegal or questionable gifts and the conflicts of interest sections of the organization’s Code of Conduct.

This policy applies to (1) St. Luke’s and its wholly-owned subsidiaries and affiliates (each, an “Affiliate”); (2) any other entity or organization in which St. Luke’s or an Affiliate owns a direct or indirect equity interest of equal to or greater than 50%; and (3) any hospital or healthcare facility in which St. Luke’s or an Affiliate either manages or controls the day-to-day operations of the facility (each, a “St. Luke’s Entity”) (collectively, “St. Luke’s”).

II. Definitions:

1. **“Contract Physician”** means a physician member of St. Luke’s that has a contractual relationship with St. Luke’s.
2. **“Employee”** means any individual, including a physician, who is employed by St. Luke’s.
3. **“Third Party”** means any individual or entity that is a supplier or vendor of goods or purchased services, or a customer with whom St. Luke’s has a business or other relationship, or where negotiations may be in progress for the individual or entity to become a supplier, vendor or customer including patients, their families, or visitors. This also includes any sales representatives acting on behalf of the third parties.

4. **Federal Healthcare Programs** include Medicare, Medicaid, TRICARE and all other programs that provide health benefits funded directly or indirectly by the United States (other than the Federal Employees Health Benefits Plan).
5. **Agent** shall mean any individual or organization that acts on behalf of and is subject to the control of St. Luke's.
6. **Gifts** are defined as anything with a value of \$100 or more including but not limited to food, event tickets, cash, products, and prizes.
7. **Entertainment** means functions conducted outside of the facilities such as rounds of golf, sporting events, concerts, plays, lunches/dinners.

III. Policy

It is St. Luke's policy to prevent the use of business gifts and entertainment to improperly influence and to avoid the appearance of improper influence of employees, suppliers, service providers, consultants, manufacturers, physicians, patients, elected officials, business associates and others of St. Luke's.

Although personal gifts of nominal value may not violate professional standards or Anti-Kickback Laws, such gifts do not improve the quality of patient care, may subtly influence clinical or business decisions and add unnecessary costs to the healthcare system.

IV. Procedure:

1. General Guidelines

The policy prohibits vendors, contract physicians, agents, hospital medical staff, and/or third parties from directly or indirectly giving anything of value to St. Luke's employees or our business partners to obtain or retain business or favorable treatment.

Gifts and entertainment valued at \$100 or less in recognition of volunteered services without expectation of payment, referrals to St. Luke's or any other favors are acceptable. Seek the advice and approval of a manager or St. Luke's Network Compliance Department if gifts and entertainment are offered that you feel may be inappropriate even if the amount is less than the \$100 threshold.

Approved gifts and entertainment may only be accepted up to \$100 once per year from the same vendor, third party, contract physicians, agents, and hospital medical staff. For example vendor XYZ cannot provide 2 separate gifts or entertainment valued at \$75 each. This makes the total value at \$150 which is over the threshold of \$100.

- A. Under no circumstances may a gift, meal or entertainment be solicited nor offered to a third party whose products or services are billed to a federal healthcare program.
- B. No individual shall solicit or accept any gift or entertainment, whether cash, non-cash or other, for his or her personal benefit from any individual or third party.
- C. Gifts of cash or its equivalent are prohibited. This includes gift certificates, stock, coupons, lottery tickets, products, etc.
- D. Discounts on personal purchases of a supplier's product are prohibited if the discounts are, or could be interpreted as, being offered because of St. Luke's business relationship.
- E. Approved discounts offered to all employees by St. Luke's may be permitted only if coordinated and approved by St. Luke's Human Resources Department.
- F. Individuals may be sponsored for a St Luke's fundraising event such as official annual golf outings, charity balls, or other sanctioned fundraisers. Individuals must be approved by their Vice President prior to attending any event.
- G. Individuals are required to report, when they have accepted gifts or entertainment to any of the following: 1. Employee's supervisor 2. Senior Management or 3. St. Luke's Network Compliance Department.
- H. If a gift is accepted that exceeds the guidelines of \$100, it should be returned with a polite explanatory note from the employee's supervisor. Employees are encouraged to consult with their supervisor for guidance, when in doubt.

2. Food Provided to Employees

- A. Food and meals supplied or sponsored, directly or indirectly, by third parties are considered personal gifts and prohibited on St. Luke's property or at a function sponsored by St. Luke's.

Employees are required to seek guidance from their supervisor, St. Luke's Materials Management Department or Network Compliance Department with specific questions or to report a concern.

- B. Food (e.g., breakfast, lunch, dinner or snacks) is not allowed for demonstrations or clinical presentations on proposed products or services.

1. Demonstrations and presentations must be scheduled in advance.
2. The third parties must have an appointment and sign in a log book or the VendorMate kiosk maintained by St. Luke's.
3. A physician or advanced practitioner must be present.
4. An attending or teaching physician must be present if it a residents' function.

- C. Social events with no educational component, such as departmental holiday parties or department celebration weeks (i.e., lab week, radiology week, etc.), may not be funded by a third party. Employees may not solicit or accept third party sponsored food or prizes (i.e., iPad, iWatch, etc.) for departmental events such as department recognition.

- D. Policy Exception: Consult with the St. Luke's Care Network Clinical Council, Materials Management or Network Compliance for any requests to host gifts, meals and/or entertainment at St. Luke's.

3. Travel Provided to Employees or Physicians

Employees and contract physicians may be sponsored to travel to professional meetings if the following guidelines are met:

- A. Payments for travel, lodging, meals and entertainment may be permissible if they:

1. Are considered fair market value and commercially reasonable in amount;

2. Are expended in the course of a legitimate business meeting;
3. Would otherwise be paid by St. Luke's as a business expense if not paid for by the third party; and
4. Are unsolicited.

B. Lavish accommodations and meals convey an appearance of impropriety and are likely to compromise evaluative objectivity. For example, lavish accommodations are considered an all-expense paid international trip, exclusive country club, or to a resort.

1. **International trips offered to be paid for by a third party should be approved by St. Luke's Legal Services and/or Network Compliance Department prior to being accepted.**

C. Sponsored attendees should not be required to attend promotional lectures or participate in product detailing events as a condition to continue a business relationship or start a new one.

D. It is recognized that because of the cost and unique attributes of medical devices, St. Luke's may depend on third party sponsorship to gain familiarity with and/or training in new procedures or technologies. To the extent possible, travel accommodations should be outlined in a written agreement that is considered fair market value and commercially reasonable. Consult St. Luke's Legal Services Department for further guidance about a written agreement.

4. Free Pharmaceutical Samples Provided to St. Luke's by Third Parties

A. St. Luke's goal is to avoid the appearance that our business decisions are influenced by outside commercial interests, including the use of pharmaceutical samples.

B. The provider must adhere to the St. Luke's policy entitled 'Accepting and Dispensing Medication Samples'. This policy applies to the entire St. Luke's Network.

5. Evaluations

A. Items for evaluation must be coordinated through the Value Analysis Committee. Supplies or equipment designated for a St.

Luke's department or entity are considered gifts and are prohibited unless one of the conditions are met:

1. Limited to the amount necessary for evaluation or education and not intended to stock St. Luke's department or entity for patient care purposes on an ongoing basis.
2. Limited for the amount necessary for a trial period (e.g., not greater than 3 weeks), disposable and meets the standard of care requirements.

6. Participation in Third Party Sponsored Programs, Speakers, Conferences, Bureaus and Consulting

- A. Employees may participate in "speakers' bureaus" on their own time. Employees must have the written approval of their manager in order to participate in any third party sponsored or reimbursed speaking engagements. The employee must adhere to Conflict of Interest policy concerning disclosure.
- B. The terms of the speaking arrangements, services to be provided, and compensation to be paid to the employee must be disclosed to the employee's manager and/or St. Luke's Chief Compliance & Privacy Officer to determine if a conflict of interest exists. Employees may accept only fair market compensation for specific, legitimate services provided to third party.
- C. Employees may not accept compensation, including defraying of costs, for simply attending Continuing Medical Education or other educational conferences or meetings.
- D. The employee's presentations should be objective rather than third party biased and may not reference St. Luke's. In other words, the employee must make clear that the presentation content reflects individual views and not the views of St. Luke's or its affiliates.
- E. Employees are allowed to present at approved conferences success stories from initiatives at St Luke's focused on process improvement.
- F. Financial support by third party should be fully disclosed by the meeting sponsor.

7. Compliance

All St. Luke’s employees and business partners are expected to be familiar with the basic procedures and responsibilities created by this policy.

A. Employees, who fail to comply with this policy, will be subject to appropriate corrective action, up to and including termination of employment.

B. Violations by a third party or its employees must be reported immediately to St. Luke’s Materials Management Department, Network Compliance Department and/or Senior Management, and may lead to termination of our business agreement with that third party, when applicable.

V. Attachments

N/A

VI. References

Accepting and Dispensing Medication Samples

VII. Policy Responsibility

SLA-SLB-SLGH-SLM-SLMC- SLP-SLQ-SLRA-SLSH-SLW- SLWEEC-SLAASC- Homestar-SLPG/SLWPG-VNA	Materials Management	Lead Preparer
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VIII. Disclaimer Statement

This policy and procedure is intended to provide a description of a course of action to comply with legal requirements and/or operational standards. There may be specific circumstances not contemplated by this policy and procedure that may make compliance either unclear or inappropriate. For advice in these circumstances, consult with your Chain of Command, Administrator on Call, Clinical Risk Management, Legal Services, Accreditation and Standards, or Chief Compliance & Privacy Officer, as appropriate.

IX. Approval

Materials Management every two years.