

GIFTS, GRATUITIES AND BUSINESS COURTESIES

Policy Statement

This policy is intended to provide guidance for appropriate decision-making regarding the Acceptance, solicitation and/or provision of gifts and business gratuities from vendors, among caregivers, and referral sources. The guidelines are consistent with the Values and the Code of Excellence/Code of Conduct of Anderson Healthcare.

Purpose:

The federal anti-kickback statute prohibits the acceptance of any item of value (remuneration) made directly or indirectly, in cash or in kind, that may induce or appear to induce the purchase or referral of any kind of health care goods, services, or items reimbursed by a federal or state health care program (Medicare and Medicaid). Consequently, the acceptance of any gifts or business courtesies from vendors with whom we presently conduct, or could conduct business that would violate a federal law or state law are strictly prohibited.

Each employee is expected to carefully evaluate the appropriateness of giving and receiving any gift or business courtesy and to consult with the department or administrative director or compliance officer for guidance as necessary.

Definitions

Business Courtesy – means an item of value, whether tangible or intangible, that is (a) accepted by an Anderson Healthcare employee from a vendor (b) offered by an Anderson Healthcare employee to a Vendor or Referral Source. (Examples: gift, meal, entertainment, ticket, admission, pass, or access to an opportunity or place not available to the general public).

Gift – means anything of more than nominal value that is received by an individual for which the recipient has not paid fair market value.

Fair Market Value – means the value of an item or service, as bargained for in an arms-length negotiation, in which both the buyer and seller willingly agree to such value and neither is under pressure to complete the transaction.

Nominal Value – refers to such limited value as to not be reasonable perceived as an attempt to affect the judgment of the recipient or induct referrals. Nominal value amount is \$15 per instance per individual.

Vendor - means any pharmaceutical company, medical device company, biotechnology manufacturing/supply company, equipment or service provider, organization providing continuation of patient care such as a post-acute care provider or tertiary provider, (or its representatives) or any other person or entity that provides or is seeking to provide goods or services to Anderson Healthcare, or that otherwise does business with or is seeking to business

with Anderson Healthcare.

Procedure:

The policy provides guidance for various common circumstances, and it sets the standard for all who represent Anderson Healthcare.

A. Gifts

1. Receiving of Gifts - Permitted

a. A work-related (not personal) modest perishable gift such as a floral arrangement, box of cookies, non-alcoholic beverage, candy or similar food items of nominal value to be shared by staff members. However, meals sent from vendors and contractors are not permissible, unless approved by department's senior leader.

b. Educational Support: In all instances of industry-supported education, the following criteria must be met:

- 1) Acceptance of educational support must never be made conditioned on or related in any way to pre-existing or future business relationships with industry.
- 2) Faculty must be present to supervise any educational discussion.

c. Promotional items such as pens, notepads, mugs or similar items may be accepted from a vendor or business associate as long as they are nominal in value (\$15 or less per instance and no more than \$75 in the aggregate annually).

d. Occasionally, grateful patients may wish to give a token non-cash gift of appreciation to individual staff members. Such expressions of appreciation may be accepted if they are of nominal value and are given without expectation of anything in return.

- 1) If a patient wishes to give a gift in the form of cash, the patient should be directed to the Anderson Foundation.

2. Receiving of Gifts - Prohibited

a. Cash or cash equivalents such as gift certificates, stocks, bonds, etc. from anyone are prohibited.

b. Item that is capable of personal use such as a DVD player or an IPAD.

c. Personal entertainment items such as tickets to sporting events or concerts, or gifting/skiing/hunting/fishing/vacation excursions at which the host is not present or that can be perceived as conveying a personal benefit to the recipient.

d. Expense paid travel to luxurious or resort-type locations that can be perceived as extravagant and conveying a personal benefit to the recipient.

e. Payments for listening to a vendor's marketing presentation or for completing written evaluations for a vendor's product or service.

f. Payments for recruiting patients for clinical research activities unless such research activity is approved by an appropriate Institutional Review Board (IRB).

g. Payments in exchange for an endorsement of the vendor or the vendor's products/services. Requests for product or vendor endorsements are referred to the Corporate Compliance Officer.

h. Payments or accommodations for shadowing arrangements in a patient care setting, unless the vendor has a defined role in the care of the patient(s) and is registered in the Vendor Management system.

i. Payments or accommodations for ghostwriting arrangements (allowing a vendor to author a published article or other document and attribute the authorship to a physician or other employee).

j. Government Officials: Food, beverages, gifts and entertainment (even of nominal value) may not be offered to any governmental official. Such gifts could be misinterpreted as an attempt to improperly influence an official and must be avoided.

k. Physicians: Any gift intended to induce or reward referrals or result in the purchase of goods or services is prohibited. Gifts to physicians must comply with the Non-Monetary compensation policy.

3. Solicitation of Gifts

a. No gifts or items of value of any kind should be solicited from patients or their families or vendors.

4. Gifts among Caregivers

a. this policy does not apply to interactions between caregivers and Anderson Healthcare or between caregivers, even though such interactions may involve the exchange of items that would be classified as "gifts" if received from a vendor. This would include social, congratulatory, caregiver recognition and other gifts.

5. The Community Relations or Human Resources Departments may develop promotional items of nominal value (*e.g.*, pens, notepads, calendars, etc.) that promote awareness of clinical programs for referral sources or patients consistent

with the Anderson mission to provide community outreach and education.

B. Social Events and Business Courtesies

1. Permitted Business Courtesies:

a. There may be times when it is permissible to accept a meal or other invitation offered by a current or potential business associate. However, the purpose must never be to induce or influence a business transaction. As a general rule, the cost must be reasonable. If the occasion appears extravagant or if the invitation could be perceived as intended to influence a business decision involving Anderson Healthcare, attendance at such an occasion is prohibited. To be acceptable, the occasion should conform to the following guidelines.

- 1) The cost and location must be reasonable and not extravagant.
- 2) Paid expenses for any travel costs or overnight lodging for the individual or his/her family are prohibited.
- 3) The invitation is for an ordinary business meal or gathering during which the host is present and business is conducted.
- 4) Acceptance of such an invitation from an individual or entity is rare unless expenses are shared by both parties.

2. Sponsoring Business Events

a. Anderson may routinely sponsor events with a legitimate business purpose (board meetings, retreats). For these events reasonable and appropriate meals and entertainment may be offered. Transportation and lodging for these events may be paid for by Anderson Healthcare.

3. Fund Raising Events

a. Staff are permitted to attend an Anderson Healthcare fundraising event that is sponsored by a current or prospective vendor or others doing business with Anderson provided that the vendor or others sponsoring the event extend the invitation to the employee and that the host attends the event with the Anderson Healthcare employee.

b. Anderson Healthcare Foundation may request donations of items or services for Anderson sponsored fund raising events.

c. Any current or potential vendor wishing to sponsor an Anderson Healthcare fundraising event, but who plans to be absent from the event, may offer the event tickets to the Anderson Community Relations Department. The Community Relations Department will coordinate with Anderson Administrative

Directors to determine who should receive the sponsored tickets.

4. Other Non-Profit Organization Fundraising Events

a. Anderson Healthcare employees are permitted to attend other regional nonprofit organization events sponsored by vendors or others with business relationships with Anderson Healthcare provided the event is reasonable, directly supports the non-profit organization and the host and the recipient are present at the event.

C. Industry Sponsored Travel Expenses

1. Permitted

a. Reasonable coverage of travel expenses by a vendor or business associate is acceptable when the subsidized individual is:

- 1) presenting at a conference;
- 2) participating in a meeting for the purposes of sponsored research protocol review;
- 3) participating as a member of a governmental panel;
- 4) participating as part of an approved "Speakers Bureau" engagement.

2. Prohibited

a. Travel expense reimbursement by outside organizations is prohibited when:

- 1) extended to an individual's spouse or family member;
- 2) an individual is not presenting at the meeting or conference;
- 3) the primary focus is social with minimal or no business activity (e.g. golf, resort or other recreational activities);
- 4) offered by a potential or current vendor to discuss, promote or showcase vendor products or services, if not explicitly defined in existing vendor contract, unless it is prior approved by the department's Administrative Director and/or Compliance Officer and/or CEO as appropriate;
- 5) the event location appears extravagant (e.g.. outside the USA).

E. Honoraria and Consultations

1. Individuals who are invited to speak or provide genuine consulting services can accept reimbursement in the form of honoraria or compensation for time and expenses under the following conditions:

- a. travel, lodging, and meal expense reimbursement is reasonable and directly related to the engagement;
- b. compensation fees received are fair-market value;
- c. presentations or consultation engagements must be of scientific/academic

merit and/or benefit the Hospital;

d. consultation and service agreements must be in writing;

e. acceptance of honoraria or consultation engagements has received prior approval from an appropriate Administrative Director;

f. Individuals may not do private consulting work for a vendor who conducts business with the hospital, or who wants to conduct business with the hospital, without receiving prior approval for the activity from their Administrative Director. PTO is taken when providing the consulting work during regularly scheduled work hours.

2. Nothing in this policy is intended to prohibit the development of good and ethical relationships between representatives of Anderson Healthcare and its Business partners.

3. To ensure compliance with this policy and avoid even the appearance of impropriety, expenses for multiple social outings with the same individual should be shared equally by both parties.

4. The guidance provided in this policy is intended to communicate Anderson Healthcare's ethical standards regarding gifts, gratuities and business courtesies.

F. CMS Open Payments (Sunshine Act) – For interactions involving vendors who are covered by the Sunshine Act (pharmaceutical and durable medical equipment companies), employees are advised to consider the following:

1. Sunshine Act vendors are to inform recipients whether, and to what extent, a gift, meal or other financial exchange will be reportable to the CMS Open Payments Database. This disclosure by the vendor, gives employees the option to decline the vendor's offer. Vendors who fail or refuse to provide this up-front information should be reported to Corporate Compliance.

2. The vendor has the sole obligation to track and report the financial exchange. Anderson Healthcare has no reporting obligations.

3. The CMS Open Payments Database is about transparency and allows the public to be aware of the nature and value of vendors' relationships with healthcare providers.

a. The regulation does not declare what is a legal or illegal vendor relationship, nor does it determine the appropriateness of a vendor's gift or other offer.

b. In evaluating a vendor's offer, employees are required to follow this Gifts and Gratuities Policy and to also evaluate the transparency/reporting implications when applicable.

4. Honorariums and Compensations

a. Compensation and honorariums provided by Sunshine Act vendors are subject to be reported to the CMS Open Payments Database.

b. The payments will be attributed to the recipient, by name, irrespective of whether the recipient received the payment directly or whether the recipient received the payment indirectly through a clinic, an employer, a group practice, or other entity, or whether the recipient directed the payment to a charity as a donation.

G. Acceptance of Gifts from a Referral Source

1. Any gifts or entertainment involving physicians or other persons in a position to refer patients are subject to federal laws, rules, and regulations regarding these practices and must be undertaken with the utmost integrity and good judgment.

2. Individuals uncertain about whether a particular event or function may be accepted should contact their Department Manager, Administrative Director Human Resources or the Corporate Compliance Officer for advice.

3. The following elements must be present when accepting a business courtesy from a referral source.

1) Cost and location must be reasonable.

2) Paid expenses for any travel or overnight lodging are prohibited.

3) A business courtesy from an individual or entity should be of such limited value (\$75 per person annually) that it would not be reasonably perceived by anyone as an attempt to affect the judgment of the recipient or induce referrals.

4) Subsidies for hospitality and business courtesies should not be accepted beyond modest meals or socializing opportunities held as part of a conference or meeting.

a) A conference or meeting must primarily be to discuss business. A modest meal associated with the meeting or conference is acceptable if the host is present.

H. Although all possible instances of gratuities and courtesies cannot reasonably be addressed in a single policy such as this, Anderson Healthcare staff is required to abide by the letter and the spirit of these guidelines.

I. Questions regarding the appropriateness of any gift, gratuity or business courtesy should be directed to their Department Manager, Administrative Director, Human Resources or the Corporate Compliance Officer.

Related Policies/documents: Code of Excellence/Code of Conduct; Conflict of Interest Policies; Physician Non-Monetary Compensation