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SUBJECT: GIFTS, GRATUITIES AND BUSINESS ENTERTAINMENT

SCOPE:

This policy applies to all employees (including physicians and residents), officers, directors and trustees ("Covered Persons") of Fletcher Allen Health Care, Inc. and its subsidiaries, including Fletcher Allen Provider Corporation ("FAHC").

PURPOSE:

This policy is intended to expand on other FAHC policies related to Vendor relations, including the FAHC Conflict of Interest Policy, and to provide specific guidance with regard to the receipt or offering of gifts, subsidies and other gratuities from Vendors or patients that are intended, or might appear to, influence decision-making or professional conduct.

GENERAL POLICY STATEMENT:

Covered Persons are expected to uphold the highest professional standards in interactions with Vendors and patients and to avoid any transaction or business arrangement with a Vendor or a patient that could improperly influence decision-making or patient care. Covered Persons may not offer, solicit or accept gifts or subsidies to or from patients, Vendors or others doing business with FAHC, except as permitted by this policy. Gifts or subsidies which violate applicable laws or which are intended to induce the referral of patients to FAHC are strictly prohibited.

DEFINITIONS:

In this policy, the following terms shall have the meanings indicated:

"Gift" means any form of property, service, or benefit that is provided to a Covered Persons without charge or at a charge below market value, and includes, but is not limited to, the following: cash, checks, securities, subsidies, real property (e.g. interest in land or a time share), personal property (e.g. tickets to sporting events, clothing), meals, food, entertainment, travel, referrals, offerings, goods, favors, prizes, services, employment, and business or professional opportunities. As used in this policy, the term "gift" does not apply to bonuses, gratuities, gifts, or compensation by FAHC to Covered Persons.

"Minimal value" means a value under \$100

"Nominal Value" means a retail value of no more than \$10 per gift

“Vendor” means any representative of a manufacturer or company, including a distributor, engaged in soliciting, marketing, or distributing products or information regarding medications, products, equipment or services. This includes representatives of manufacturers or companies that are already doing business with FAHC in any capacity and those that may be seeking to do business with FAHC.

SPECIFIC POLICIES:

The following specific policies amplify the general policy statement set forth above:

A. Gifts from Vendors and Patients.

1. Personal Gifts from Vendors. No personal gifts from Vendors of any kind are permitted to any Covered Person. Vendors desiring to make gifts should be directed to the FAHC Development Department, which is prepared to accept appropriate gifts on behalf of FAHC.
2. Vendor-sponsored Food and Meals. Vendor-sponsored meals and food are subject to the following guidelines:
 - a. On campus. Meals and food may not be provided by Vendors directly to Covered Persons in FAHC owned or leased facilities. Vendors wishing to make gifts to support food at educational meetings in FAHC facilities should do in accordance with Section D.
 - b. Off campus. Unless permitted by paragraph 3 below, Covered Persons are discouraged from accepting Vendor-paid food, meals or beverages off campus and should use good judgment to avoid meals or associated business entertainment that may cause an appearance of impropriety. Employees should generally pay for their own business expenses and seek reimbursement under applicable FAHC policies.
3. Vendor-sponsored Events or Entertainment. Vendor-sponsored events and entertainment are subject to the following guidelines:
 - a. General. Covered Persons should not participate in or accept Vendor-sponsored entertainment, events or activities that are primarily intended to gain influence with FAHC and may cause an appearance of impropriety.
 - b. Educational or Professional Meetings. Covered Persons may attend educational or professional meetings or conferences off campus that are sponsored in whole or in part by a Vendor, provided either (i) the funding to FAHC is consistent with Part D of this Policy or (ii) no part of the Vendor funding is paid directly to FAHC or any Covered Person.
 - c. Charitable Events. Covered Persons may attend fund-raising events sponsored by Vendors, provided (i) the event or function takes place solely to benefit a bona fide charitable organization, (ii) all net proceeds of the event are paid to the charitable organization, and (iii) attendance at the event does not involve the receipt of a gift of more than nominal value, apart from the benefits of attendance (i.e., the value of meals, beverages and entertainment that are a direct part of the fund-raising events). Examples of such permissible charitable functions might include attendance at a golfing event or a dinner dance to benefit the Vermont Children’s Hospital, American Heart Association, or the American Cancer Association.
 - d. Other Events. Covered Persons may attend receptions or other similar social events sponsored by Vendors, provided (i) the event is not limited to employees of Fletcher Allen; (ii) it is a part of the employee’s duties to attend such events; (iii) attendance at the event will serve to promote a positive image for Fletcher Allen in the communities it serves; (iv) attendance at the event does not involve the receipt of a gift of more than

nominal value, apart from the benefits of attendance (i.e., the value of meals, beverages and entertainment that are a direct part of the event); and (v) no part of the event involves the direct solicitation or promotion of business by the sponsor of the event.

4. Gifts that Benefit Patient Care. Departments may accept gifts of minimal value (less than \$100) if the gift primarily entails a benefit to FAHC patients. Examples of such gifts include textbooks, stethoscopes and educational materials. Departmental gifts of more than minimal value should be directed to the Development Department.
5. Departmental Gifts. Gifts of minimal value, such as flowers, fruit or candy, may be made by a Vendor to an office or department but not to any individual Covered Person.
6. Gifts from Patients. Gifts of appreciation from grateful patients to Covered Persons may be accepted, if the gifts are of no more than minimal value and are made without any strings attached. All other gifts from patients are prohibited.
7. Promotional Gifts. Acceptance, solicitation or use of gifts to or by Covered Persons of a promotional nature (e.g., pens, notepads, clothing, containing names of companies, products, logos or other identification), regardless of value, is prohibited.
8. Vendor Sponsored Raffles. Covered Persons may not participate in Vendor sponsored raffles, lotteries or contests which result in gifts to the winner.

B. Gifts to Vendors.

Gifts to Vendors prohibited, unless they are of minimal value with no strings attached.

C. Gifts and Services to Patients.

1. General. Except for gifts of nominal value (less than \$10), gifts to patients by Covered Persons are prohibited if the gift is intended to influence a patient's selection of a health care provider or service. Gifts of nominal value may not exceed \$50 annually for any one patient.
2. Courtesy Discounts. Fees for services may not routinely be waived. Professional courtesy discounts and free or discounted services given to medical staff, employees, community physicians and their families and staff are prohibited.
3. Patient Assistance. Co-payments and deductibles may be waived only in accordance with the FAHC Patient Assistance Program, which will be applied uniformly in all cases (see policy PFS 7.1) or after reasonable collection efforts have failed.
4. Preventive Care. Preventive care services, such as free screenings, are generally allowed if they are described in the U.S. Preventive Services Task Force's *Guide to Clinical Preventive Services*, located on the internet at <http://www.ahrq.gov/clinic/uspstfix.htm>.
5. Transportation Vouchers. Local taxi vouchers and free or reduced local transportation services to and from the hospital may also be provided. Only patients and/or family members of patients with a demonstrated financial need will be eligible for transportation assistance. In accordance with OIG guidance, the costs to FAHC for providing taxi vouchers and free or reduced local transportation services will not be claimed directly or indirectly on any Federal healthcare cost report or claim. For any other free or discounted services provided to patients, contact the Chief Integrity and Compliance Officer.

D. Educational Conferences and Training.

Subsidies to underwrite the costs of continuing education conferences or professional meetings are permissible, if they contribute to the improvement of patient care and comply with the policies below.

Staff is encouraged to follow the guidance provided by the Council for Continuing Medical Education Standards for Commercial Support (www.accme.org).

1. Educational Funds/Scholarship Opportunities to Attend Conferences. Gifts or subsidies from Vendors to special educational funds, scholarships or made in the form of unrestricted grants may be accepted by a department to support employees' attendance at appropriate educational conferences, provided the Vendor has no control over the content of the conference.
2. Underwriting of FAHC Educational Conferences or Meetings. External underwriting of FAHC educational conferences or meetings is allowed, provided that the responsibility for and control over the selection of content, faculty, educational methods, materials, and venue remains in FAHC's control. Funds may be accepted to permit students, residents and fellows to take time away from training to do research so long as the fund recipient is chosen by FAHC personnel.
3. Training and Education of Certain Medical Technologies. Vendors from the medical technology industry may provide FAHC employees education and training focused on their product, equipment or other medical technology provided such education and training meets the mandates of the U.S. Food and Drug Administration to facilitate the safe and effective use of certain medical technologies and is not accompanied by gifts or gratuities that otherwise violate this policy. In addition, because training often takes place at a central location or at the Vendor's facilities, Vendors may pay for reasonable travel and modest lodging and meal costs incurred in connection with off-site training.
4. Training and Site Visits. On occasion, FAHC faculty or staff may be required to travel to other locations in order to view or train on new equipment or systems that FAHC uses, intends to use, or is considering purchasing. Such travel is only considered legitimate if the product, equipment or training cannot reasonably be brought to FAHC. The following guidelines should be observed:
 - a. Generally, if FAHC is evaluating a product or service, the site visit should be considered an operating expense of the functional area which is considering the purchase. All costs related to the site visit will be the responsibility of the functional area that visits a particular location.
 - b. If FAHC has purchased or has agreed to purchase an item or service, and a site visit or training is included as part of the purchase agreement, it is appropriate for the Vendor to pay for the travel, meals and lodging. However, entertainment associated with the travel is not appropriate and the travel, lodging, and meals must be reasonable.

E. Reporting Gifts.

You must report any offers of gifts that violate this policy and/or disclose actual or potential conflicts to your supervisor as soon as you become aware of them or you may call the Compliance Hotline at 847-9430 or (800) 466-7131. The Development Department is prepared to accept gifts on behalf of FAHC.

F. Disciplinary Action for Failure to Follow Policy.

Failure to enforce or comply with the provisions of this policy is cause for disciplinary action up to and including termination.

REFERENCES:

Section 1128A Social Security Act
42 U.S.C. §§ 1320a-7b(b), 1395m and 1396b(s)
42 C.F.R §§ 1001.952, 1003.101 and 411.350

33 V.S.A. § 2005

FINCE1, Employee Travel Authorization

OIG Special Advisory Bulletin, Offering Gifts and Other Inducements to Beneficiaries, August 2002

OIG Advisory Opinion No. 09-01

Report of the Council on Ethical and Judicial Affairs. "Gifts to Physicians from Industry." American Medical Association. Report as Adopted by the House of Delegates on December 4, 1990 December 1990; (JAMA. 1991; 265: 501 and Food and Drug Law Journal.1992; 47: 445-458); Updated June 1996 and June 1998 and available at <http://www.ama-assn.org/ama/pub/article/4001-4236.html>

Health Industry Practices That Create Conflicts of Interest: A Policy Proposal for Academic Medical Centers. Brennan T, Rothman D, Blank L, Blumenthal D, Chimonas S, Cohen J, Goldman J, Kassirer J, Kimball H, Naughton J, Smelser, N, JAMA 2006; 429-433.

PhRMA Code on interactions with healthcare professionals. www.phRMA.org

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