

**Lifespan System-wide Policy Subject:**  
Policy Regarding  
Entertainment, Gifts and  
Vendor-Promotional Training

**File under:**  
CCPM-30

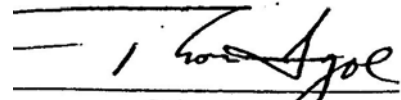
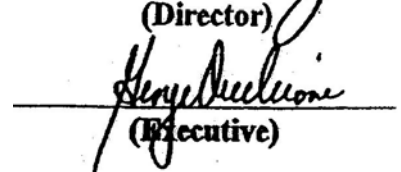
**Issuing Department:**  
General Counsel

**Latest revision date:**  
September 2002

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December 1999

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**Approved by:**

  
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(Director)  
  
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(Executive)

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**I. Purpose:**

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 Medicare or Medicaid. In Rhode Island a parallel state statute applies these same prohibitions to all patients/clients, regardless of payor source.

Remuneration is essentially anything of value. Federal and state fraud and abuse or 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 persons from ordering unnecessary tests, services and supplies and are intended to make sure that such decisions are based on the quality of the goods or services provided and not on some financial incentive or inducement given to the person ordering the goods or services.

This policy is intended to provide guidance on two specific situations which give rise to the issues discussed above: (i) entertainment and gifts; and (ii) vendor promotional training. Please refer to the Corporate Compliance Policy on Fraud and Abuse for additional guidance.

## **II. Eligibility:**

This policy applies to all Lifespan Employees and all Lifespan Professional Staff members.

## **III. Policy:**

### **3.1 Prohibited Conduct**

The federal and state fraud and abuse and anti-kickback laws are broadly written to prohibit healthcare providers, such as Lifespan, all Lifespan Employees and all Lifespan Professional Staff members from knowingly and willfully offering, paying, asking, 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. The fraud and abuse and anti-kickback laws must be considered whenever something of value is given or received by Lifespan, any Lifespan Employee or any Lifespan Professional Staff member that is in any way connected to patient/client services.

### **3.2 Entertainment and Gifts**

Lifespan recognizes that business dealings may include an isolated shared meal or other similar social occasion, which may be a proper business expense and/or activity depending upon the circumstances. Further, gifts may be received by Lifespan Employees when they are of such limited value that they could not reasonably be perceived by anyone as an attempt to affect the judgment of the recipient (fair market value less than \$50). For example, token promotional gratuities from suppliers, such as advertising novelties marked with the donor's name, are not prohibited under this policy. However, the receipt of any gift under circumstances that could be construed as an improper attempt to influence the Lifespan Employee's/Professional Staff's or Lifespan's decisions or actions is inappropriate.

In order to avoid creating the appearance of improperly influencing individuals or entities to conduct business with Lifespan, invitations for meals or entertainment using Lifespan funds, to current or potential business associates should not be lavish (in excess of \$125 per person per event) or frequent (more than 4 times a year). If, prior to the event, it was anticipated that the cost per person would not exceed \$125, but, at the time of the event, the cost per person exceeds \$125, a report must be filed with the appropriate affiliate President or Lifespan Senior Vice President. If, prior to the event, it is anticipated that the cost per person will

exceed \$125, one must receive advance approval from the appropriate affiliate President or Lifespan Senior Vice President, and a copy of the approval should be provided to the Corporate Compliance Officer. In no event may travel (other than local transportation) or overnight lodging be provided as part of a gift or entertainment.

In order to avoid creating the appearance of being improperly influenced by individuals or entities which have or seek business with Lifespan, invitations to attend or participate in social events received from such persons may be accepted provided that the value does not exceed \$125.<sup>1</sup> Lifespan Employees may not accept offers of travel costs (other than in a vehicle owned privately by the host) or overnight lodging. It is not acceptable for a Lifespan Employee to pay part or all of the cost of entertainment with a value exceeding \$125 to reduce the value to less than \$125 and then accept the entertainment. All events occurring on the same day and offered by the same individual or entity are considered the same event for purposes of the \$125 limit. For any ticketed event, it is assumed that the cost of the event is the face value of the ticket. For a charity event, the cost of the event is the fair market value of the activity provided as opposed to the full amount of the ticket, *i.e.*, the amount of the charitable contribution may be excluded from the value of the entertainment provided to the Lifespan Employee. Requests for approval to accept invitations of meals or entertainment that exceed \$125 must be submitted to the applicable affiliate President or Lifespan Senior Vice President or the Corporate Compliance Officer. Such requests should be granted only in the rarest of circumstances.

If any Lifespan Employee receives a gift that violates this policy, the gift should be returned to the donor and reported to the Corporate Compliance Officer. Additionally, if a Lifespan Employee is offered a gift that violates this policy, the Lifespan Employee also should refuse the gift and promptly report the incident to the Corporate Compliance Officer. Whenever a Lifespan Employee is not sure whether a gift is prohibited by this policy, the gift must be discussed with the Lifespan Employee's supervisor(s) and, if applicable, reported to the Corporate Compliance Officer, however, the best rule to follow is "when in doubt, refuse the gift or send it back".

### **3.3 Vendor Promotional Training**

"Vendor promotional training" is defined as training or education provided by any person for the purpose of promoting its products or services, including vendor-sponsored seminars. It does not include training provided under a contract with Lifespan or by a contractor to facilitate use of products or services it

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<sup>1</sup> Fundraising events sponsored by Lifespan are excluded from this limit; however, accepting repeated invitations from the same vendor to attend such events should be avoided.

furnishes under an existing contract with Lifespan. Vendor promotional training, including travel and lodging, may be accepted when the business value to Lifespan outweighs any recreational or entertainment value of the training event, provided that the Employee wishing to participate in the training obtains the approval of his/her supervisor before accepting the invitation. In making a determination, the supervisor should calculate the amount of time to be spent on substantive matters as compared to the amount of time spent in recreational or entertainment activities. The amount of time engaged in substantive matters must predominate in order for acceptance to be permitted. A Lifespan Employee must provide the supervisor with sufficient information (such as a course description and/or letter of invitation) for the supervisor to assess whether the substantive content predominates over the nonsubstantive content. Whenever a Lifespan Employee or supervisor is not sure if the substantive value of the vendor promotional training outweighs any recreational or entertainment value of the training event, he/she may seek guidance from the Corporate Compliance Officer, however, the best rule to follow is "when in doubt, refuse the offer".

If attendance at a vendor promotional training event involves travel outside the continental United States or lodging in excess of two nights, the Lifespan Employee must receive approval from the applicable affiliate President, Lifespan Senior Vice President or Corporate Compliance Officer prior to accepting the invitation.

Lifespan employees and professional staff who are invited to attend conferences or meetings may accept reasonable honoraria and reimbursement for travel, to the extent allowed under the individual employment arrangement.

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 hospital department selects the student who will attend the conference and the conference is an educational, certification or policy-making meeting.

#### **IV. Procedure:**

If a Lifespan Employee or a Lifespan Professional Staff member has a *question concerning the interpretation or applicability* to a particular circumstance of any of the laws or regulations referred to in this Policy, such Lifespan Employee or Lifespan Professional Staff member should first consult with his/her supervisor(s) and if his/her supervisor(s) is unable to answer the question or provide any guidance or, if, because of the circumstances, it would be inappropriate to discuss the matter with his/her supervisor(s), then such Lifespan Employee or Lifespan Professional Staff member should contact the Corporate Compliance Officer or the Office of the General Counsel

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for advice. If any Lifespan Employee or Lifespan Professional Staff member is aware of any violation or threatened or potential violation of this Policy, or *suspects* a violation of this Policy has occurred, such Lifespan Employee or Professional Staff member must refer to the Policy on Code of Conduct for instruction as to what action to take. No adverse action will be taken against any party who reports, in good faith, any violation or apparent or threatened violation.