

**Lifespan System-wide Policy Subject:**  
Policy Regarding Gifts,  
Entertainment, Vendor  
Promotional Training &  
Reimbursed Travel, and  
Medical Staff Business  
Courtesies

**File under:**  
CCPM-30

**Issuing Department:**  
General Counsel

**Latest review date:**

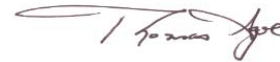
**Latest revision date:**  
**February 2017**

February 2016	January 2015
March 2014	January 2011
July 2013	July 2008
March 2011	September 2002

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December 1999

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**Approved by:**



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**Vice President**



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**Executive**

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**I. Purpose:**

Federal law bars the payment or receipt of remuneration in return for making referrals, or 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, regardless of payor source.

Remuneration is essentially anything of value. 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 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 medical necessity, or 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.

For purposes of the following policy, Lifespan Corporation, and/or any of its affiliate hospitals and entities, including but not limited to: the Emma Pendleton Bradley Hospital,

Newport Hospital, Rhode Island Hospital, The Miriam Hospital, Gateway Healthcare, and Lifespan Physician Group, Inc., shall be referred to collectively as “Lifespan”. Employees of any of the afore-mentioned entities shall be referred to as “Lifespan Employees”, and physicians or other clinicians who are members of the organized medical staffs at any of the afore-mentioned hospitals shall be referred to as “Lifespan Professional Staff”.

This policy is intended to provide guidance on specific situations which give rise to the issues discussed below: (i) gifts; (ii) entertainment; (iii) vendor promotional training; (iv) vendor reimbursed travel; (v) non-monetary compensation to Medical Staff Members and; (vi) incidental benefits for the Medical Staff Members. Please refer to the Corporate Compliance Policies on Fraud and Abuse and Anti-Kickbacks (CCPM-4) and on Interactions With Industry Representatives From Pharmaceutical, Medical Device and Medical Supply Industries, (CCPM-46), for additional guidance. In certain situations Lifespan Employees may also want to refer to Human Resources Policy on Outside Employment and Reimbursement by Outside Persons or Entities (HR 3.9).

## **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 referring of patients, ordering of tests 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 received or given by Lifespan, any Lifespan Employee or any Lifespan Professional Staff Member that is in any way connected to patient services or purchase acquisitions.

### **3.2 Gifts**

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. As such, the acceptance of gifts, even those with limited value, should be avoided.

In order to maintain ethical relationships **with individuals and entities which have or seek to do business with Lifespan:**

- Acceptance of liquor, wine, gift baskets, gift cards, clothing, and miscellaneous holiday gifts is not permitted.
- Receipt of promotional materials (pads, pens, other giveaways) **from industry representatives**, such as those representing the pharmaceutical, medical device or medical supply industries is not permitted.
- Sponsorship of meals on site is not permitted.
- Acceptance of cash or cash equivalent (such as a gift certificate) is not permitted.
- Gifts of diagnostic equipment, such as stethoscopes, are no longer permitted.
- Complimentary texts, handbooks, treatment compendia (e.g., Sanford's Guide to Antimicrobial Therapy), etc., are no longer permitted.

If any Lifespan Employee or Professional Staff member acting as a Lifespan representative 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 or Professional Staff Member acting as a Lifespan representative 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.

### **3.3 Entertainment**

Lifespan recognizes that business dealings may include an isolated shared meal off campus or other similar social occasion, which may be a proper business expense and/or activity depending upon the circumstances. However, in order to avoid creating the appearance of being improperly influenced by individuals or entities which have or seek business with Lifespan, acceptance of such invitations for meals, entertainment or to attend social events should be infrequent, have a business related purpose, and the value for each event should generally not exceed \$125<sup>1</sup>.

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<sup>1</sup> CCPM-46 prohibits receipt of all meals and gifts in the form of free or subsidized tickets to sporting events, concert performances, plays and other forms of entertainment not related to patient care provided by representatives from the pharmaceutical, medical device and medical supply industries.

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, a Lifespan Executive or Senior Vice President or the Corporate Compliance Officer. Such requests should be granted only in the rarest of circumstances.

**Fundraising events sponsored by a Lifespan affiliated entity are excluded from this limit. However, Lifespan employees accepting repeated invitations from the same vendor to attend such events should be avoided.**

**Lifespan-Funded Entertainment:** In order to avoid creating the appearance of improperly influencing current or potential business associates or entities to conduct business with Lifespan, invitations for meals or entertainment using Lifespan funds should not be lavish (generally 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 a Lifespan Executive or 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 Executive or 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.<sup>2</sup>

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<sup>2</sup> Lifespan efforts to recruit workforce members are not within the scope of the policy.

### **3.4 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 vendor product or service training provided under a contract already entered into with Lifespan, or by a contractor to facilitate use of products or services it 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 written 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, a Lifespan Executive or Senior Vice President or the Corporate Compliance Officer prior to accepting the invitation.

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 payment is made to the Continuing Medical Education offices, hospital departments, physician groups or foundations and they select the scholarship recipient. Educational conferences are defined as the major annual educational, scientific or policy making meetings or national, regional or specialty medical or other professional association meetings.

### **3.5 Vendor Reimbursed Travel Expenses**

Lifespan Employees may not accept offers of travel costs or overnight lodging from individuals or entities that have or seek business with Lifespan (other than in a vehicle owned privately by the host).

Lifespan Employees are not permitted to accept from an outside entity, or person or vendor, any trip, travel arrangement, payment or reimbursement of travel expenses that are intended to or may influence Lifespan business decisions. Lifespan Employees are generally prohibited from accepting from perspective or current vendors payment of travel expenses to view equipment, software systems, or services being considered for purchase or contract. If such travel is necessary to make a qualified business decision Lifespan will incur the expense.

Exceptions to this policy will be made only in the rarest of circumstances and must be approved in writing by the applicable affiliate President, a Lifespan Senior Vice President or the Corporate Compliance Officer. See Human Resources Policy “Outside Employment and Reimbursement by Outside Persons or Entities” (HR 3.9) for additional information.

### **3.6 Medical Staff Non-Monetary Compensation**

An exception under the “Stark Law” allows hospitals to provide non-monetary compensation to its medical staff and their family members in the form of items or services, such as occasional gifts and meals. To qualify for this exception, the total non-monetary compensation may not exceed in a calendar year the Centers of Medicare and Medicaid Services (CMS) annual dollar limit; in 2017 the limit is \$398<sup>3</sup>. The non-monetary compensation cannot:

- Relate in any manner to the volume or value of referrals or business (actual or potential) generated by the referring physician;
- Be solicited by the referring physician;
- Create a “quid pro quo” relationship related to the referrals for designated health services, thus resulting in a potential violation of the Anti-Kickback statute; or
- Involve the receipt of Gift Certificates because they are considered cash equivalents and therefore do not fall within the non-monetary compensation exception.

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<sup>3</sup> Per each Lifespan Professional Staff Member.

Examples of non-monetary compensation by Lifespan to its Professional Staff include, but are not limited to: golf tournament entry fees, non-working meals, service awards, flowers or donations made upon death of a family member, retirement and thank you gifts, and tickets to any Lifespan or Lifespan affiliate foundation activities. Certain non-monetary compensation is allowable under the “Stark Law” and does not count against the CMS annual limit. At Lifespan, they are as follows:

- The cost of one annual social event hosted by Lifespan or any of its affiliates for the entire medical staff. (The gifts or giveaways at the social event still count towards the annual limit.)
- Provider education and training programs relating to hospital activities.
- Receipt of a one-time award from Lifespan or one of its affiliates, for which the physician is nominated.
- Recommended flu shots, TB skin tests or other vaccinations offered to all Lifespan professionals.

The Lifespan Compliance Office should be contacted regarding any questions relating to this exception. If provision of an item or service exceeds the non-monetary compensation annual limit, the Compliance Office should be notified immediately in order to take corrective action. Lifespan employed physicians are exempt from the non-monetary compensation limit, but all items and services provided to them must not result in compensation exceeding fair market value. The Compliance Office will update and reissue this policy when the CMS annual limit is revised.

### **3.7 Medical Staff Incidental Benefits**

The “Stark Law” also allows hospitals to routinely provide their medical staff members with incidental benefits such as, for example, free parking and meals while they are at a hospital location treating patients. The value of these incidental benefits are not implicated by the non-monetary compensation rule (3.6) above. Lifespan may provide these incidental benefits without that constituting a prohibitive relationship if the following conditions are met:

- The incidental benefit (regardless of value) is offered to all members of the Medical Staff, without regard to the volume or value of referrals or other business generated between parties.

- The incidental benefit is generally provided only during periods when Medical Staff members are engaged in services or activities that benefit Lifespan patients or the organization.
- The incidental benefit is reasonably related to the provision of, or designed to facilitate directly or indirectly the delivery of Lifespan medical services.
- The per occurrence incidental benefit is of low value (less than CMS per incident cap amount, which in CY 2016 is \$33 per month, per Member.)
- The incidental benefit is not quid pro quo (does not violate the Anti-Kickback statute).

Examples of potential medical staff incidental benefits include: providing and/or cleaning lab coats and scrubs, internet access that facilitates patient care, parking, medical staff lounge food and beverages, cafeteria meals, use of Lifespan's physician referral service, compliance training, and meals served at governing board meetings.

The Lifespan Compliance Office should be contacted regarding questions relating to this exception; it will revise and reissue this policy when the CMS per incident cap amount is revised.

#### **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 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.