

MAIMONIDES MEDICAL CENTER

CODE: COMPL-013 (Reissued)

DATE: March 16, 2017

ORIGINALLY ISSUED: September 25, 2009

SUBJECT: GIFTS, GRATUITIES, AND BUSINESS COURTESIES

This policy is intended to provide guidelines for appropriate decision-making regarding the acceptance or provision of gifts and business gratuities. It should not be considered exhaustive. Rather, it provides guidance for various common circumstances, and it sets the standard for all who represent Maimonides Medical Center (MMC) and its affiliated companies. Any question regarding a particular relationship, gift, or gratuity should be directed to the Corporate Compliance Officer, or the Executive Vice President for Legal Affairs. This policy provides more detailed advice concerning gifts and expands upon the requirements set forth in the Conflict of Interest policy AD-108 with respect to medical education and patient care.

I. POLICY:

- A. 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 or others with whom MMC presently or potentially conducts business that would violate a federal law or state law is strictly prohibited.

Maimonides Medical Center (MMC) has adopted clear standards of behavior to ensure activities and business interactions conducted by and on behalf of MMC are in compliance with federal and state laws and regulations relative to business gifts and other gratuities. Adherence to these guidelines will insure protection of MMC's business practices and avoid even an appearance of improper relationships with vendors, service providers, or individuals who conduct or seek to do business with the Hospital. Vendors are not limited to those who provide products/services related to patient care. The term "vendors" includes pharmaceutical and device representatives, sales people, etc...

- B. MMC Staff may not solicit personal gifts, business courtesies or services from any patient, visitor, vendor, or contractor.
 - 1. Gifts that are intended to influence or that may be considered by an objective observer to have the potential to influence an individual in the conduct of his/her duties or responsibilities at MMC are prohibited.
 - 2. Gifts of cash or cash equivalents such as gift certificates, stocks, bonds, etc. from outside entities or non-employed individuals are prohibited.

II. RESPONSIBILITY

This policy applies to all trustees, directors, employees and medical staff members who are in a position to influence vendor selection, approve a transaction with a third party or approve the expenditure of Medical Center funds (collectively referred to as “Staff”). For the purpose of this Policy the term “Medical Center” shall include: (1) Maimonides Medical Center, and its subsidiaries and affiliates; (2) Maimonides Health Resources, Inc.; (3) Maimonides Research and Development Foundation; and (4) MMC Holding of Brooklyn, Inc. and its subsidiaries and affiliates.

III. PROCEDURE

A. Gifts

1. Receiving of Gifts

- a. No form of gift may be accepted from vendors or sales representatives regardless of nature or value. This includes, without limitation, educational supplies (such as textbooks), and other practice items (such as stethoscopes) and items such as pens, notepads, mugs or similar items, floral arrangements, boxes of cookies, candy or similar food items to be shared by staff members. Meals provided to staff by a vendor during training by that vendor for a product already purchased are acceptable. (This exception is limited to medical devices and equipment; not drugs.) Meals sent from non-employed individuals to MMC staff are not permissible, except for educational purposes as noted below in section III.A.3.
- b. No gifts or items of value of any kind should be solicited or accepted from patients or their families. Patients wishing to make a gift should be advised that the Hospital policy does not allow caregivers or staff to accept personal gifts. Unsolicited flowers or fruit baskets may be accepted but have to be shared by all staff on the unit and can't be taken home for personal use. Patients may be directed to the Development Office where gifts can be accepted on behalf of MMC.
- c. Personal benefit items such as a pair of tickets or invitations to sporting events or theatrical events, whether or not accompanied by the host may not be accepted. However such items can be accepted by the Senior VP of Human Resources for distribution, as determined by HR, to MMC employees.

2. Offering of Gifts

- a. 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.
- b. The External Affairs & Marketing Department and/or other entities of MMC 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 MMC's mission to provide community outreach and education.

3. Educational Support

Unrestricted subsidies to underwrite the cost of MMC continuing undergraduate and graduate medical education conferences or professional meetings can contribute to the improvement of patient care and therefore are permissible. Unrestricted educational funds should be directed to the Departmental Chair or their designee and may also be expended for refreshments at trainee educational sessions. The contributing vendor(s) may be credited for contributing to an unrestricted educational grant. Such credit may not include distribution of advertisements or literature on their product during an educational session. Those soliciting for educational grant funds may not have sole decision making authority with regards to the use of such unrestricted funds. Departments are required to keep records of all vendor supported educational programs and supplies. A report of these activities is to be submitted on the appended form to the Corporate Compliance Officer on a quarterly basis.

In all instances of industry supported education, the following criteria must be met:

- a. The primary purpose of the education must be the dissemination of objective scientific information or educational activity.
- b. Acceptance of educational support must never be conditioned on or related in any way to pre-existing or future business relationships with industry.
- c. The industry support is of minimal individual value but promotes the educational nature of the conference.
- d. Faculty (Attending Physician members of the Medical Staff) must be present to supervise any educational discussion.
- e. All educational sessions must be CME approved and follow all the guidelines of a CME session (i.e., disclose support, educational goals of program and evaluation of program).
- f. Speakers must be paid directly by the Medical Center not the sponsoring company.

Should the education program be an accredited continuing medical education (CME) activity, the requirements for acceptable CME content and standards must also be observed. The requirements are set forth in policies Prof-78, Continuing Medical Education (CME) and Prof-79, CME Faculty Honoraria and Travel Reimbursement and the ACCME Standards for Commercial Support.

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Hospital visits by company sales representatives for non-educational purposes must be approved by an Attending physician and are subject to the guidelines noted in section III.A.1. Funds may not be accepted or solicited from vendors for non-educational events such as graduation and holiday parties.

4. Patient Related Support

Unrestricted subsidies to underwrite the cost of MMC patient related activities contributes to the improvement of patient care and therefore are permissible. Unrestricted patient related funds should be directed to the Departmental Chair or their designee and may be expended for refreshments at patient related events (such as support groups), and patient related equipment and supplies (such as prosthetic devices). Any equipment or supplies purchased with such funds must be approved through the hospital wide Product Utilization Committee. The contributing vendor(s) may be credited for contributing to an unrestricted patient related grant. Such credit may not include distribution of advertisements or literature on their product during any patient related session. Those soliciting for patient related grant funds may not have sole decision making authority with regards to the use of such unrestricted funds. Departments are required to keep records of all vendor supported patient related programs and supplies. A report of these activities is to be submitted on the appended form to the Corporate Compliance Officer on a quarterly basis.

5. Solicitation for Fund Raising Events

Vendors may be solicited for donations to the Medical Center so long as the solicitation is:

- a. for a charitable event organized, sponsored or approved by the Medical Center's Development Office; Part of a broad community solicitation and not limited to those currently doing, or seeking to do, business with the Medical Center;
- b. Clearly indicates that an affirmative or negative response will not factor into vendor selection determination
- c. Provided vendor is not in active contract negotiations with the Medical Center.

B. Industry Sponsored Travel Expenses

1. Permitted

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

- a. presenting at a conference;
- b. participating in a meeting for the purposes of sponsored research protocol review;
- c. participating as a member of a governmental panel;
- d. participating as part of an approved "Speakers Bureau" engagement.

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- e. engaged in a process to evaluate a new procedure, service, or piece of equipment of benefit to MMC and/or MMC patients. Such travel is subject to approval according to Purchasing practices and/or the Department Chair/Medical Director depending on the nature of the procedure, service, or equipment being evaluated.

All travel must be consistent with the MMC travel policy, FIN-17.

2. Prohibited

Travel expense reimbursement by outside organizations is prohibited when:

- a. extended to an individual's spouse or family member;
- b. an individual is not presenting at the meeting or conference;
- c. the primary focus is social with minimal or no business activity (e.g. golf, resort or other recreational activities);
- d. the event location appears extravagant (e.g. outside the USA).

C. Industry Sponsored/Supported Honoraria and Consultations

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 provided they have received prior approval from the Corporate Compliance Officer and Medical Director and Department Chair and under the following conditions:

- 1. travel, lodging, and meal expense reimbursement is reasonable and directly related to the engagement;
- 2. compensation fees received are fair-market value;
- 3. presentations or consultation engagements must be of scientific/academic merit and/or benefit MMC;
- 4. consultation and service agreements must be in writing;
- 5. Individuals may do private consulting work for a vendor who conducts business with the hospital, or who wants to conduct business with the hospital, only if they receive prior approval for the activity from their Chairman and the Corporate Compliance Officer. Chairmen require approval from the Medical Director and the Corporate Compliance Officer.
- 6. Individuals who serve in a decision making capacity for certain products should refrain from having private business relationships with vendors selling such products. Full disclosure of any such relationship to the relevant committee or other hospital body is required as is recusal during any discussion or vote by that committee or hospital body.

7. Time spent performing such services by MMC employees is to be considered vacation time unless otherwise approved by a Chairman or Vice-President. Chairman requires such approval from the Medical Director.

IV. CONTROLS

Nothing in this policy is intended to prohibit the development of good and ethical relationships between representatives of MMC and its business partners. 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.

The guidance provided in this policy is intended to communicate MMC's ethical standards regarding gifts, gratuities and business courtesies. Although all possible instances of gratuities and courtesies cannot reasonably be addressed in a single policy such as this, staff, officers and agents of MMC are required to abide by the letter and the spirit of these guidelines.

Questions regarding the appropriateness of any gift, gratuity or business courtesy should be directed to your supervisor, the Legal Department or the Corporate Compliance Department.

The Corporate Compliance Officer will oversee compliance with this policy.

Kenneth Gibbs
President & CEO

CODE: COMPL- 013 (Reissued)

DATE: March 16, 2017

ORIGINALLY ISSUED: September 25, 2008

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ATTACHMENTS: Quarterly form for recording vendor supported departmental educational programs

REFERENCES: Corporate Compliance Code of Conduct
Conflict of Interest Policy AD-108
Continuing Medical Education (CME) PROF-78
CME Faculty Honoraria and Travel Reimbursement PROF-79
Visiting Procedure for Sales Representatives PURCH-4
Request and Reimbursement for Travel FIN-17

INDEX: Vendor relationships; gifts

**ORIGINATING
DEPARTMENT:** Legal Department