



**IOWA HEALTH
SYSTEM**

Title: Gifts and Business Courtesies 1.CE.14

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POLICY: Employees, (referred to as “associates” at some affiliates) officers and members of the Boards of Directors of Iowa Health System entities may give or receive Gifts or Business Courtesies only according to this Policy. The basic concepts of this Policy are set forth in the Code of Conduct, Principle 5, Business Relationships.

SCOPE: IHS system wide. All IHS and affiliate facilities including, but not limited to, hospitals, ambulatory surgery centers, home care programs, physician practices, employees, officers, and the Board of Directors.

BACKGROUND: This Policy has been adopted to establish parameters around the acceptance and extension of Gifts and Business Courtesies to and from individuals and entities outside the Health System. The giving or receiving of Gifts or Business Courtesies for personal use is generally discouraged, but is permissible if done in compliance with this Policy. Employees are encouraged to share Gifts or Business Courtesies with co-employees or to use the Gift or Business Courtesy for IHS business purposes. This Policy applies to employees and Board Members while acting on behalf of or within the scope of their employment or responsibility with the IHS entity and does not apply to gifts given or received by individuals that are unrelated to the person’s job or responsibilities with IHS or an IHS entity. Nor does this Policy apply to compensation or gifts from an IHS entity or IHS employee resulting from one’s employment by an IHS entity.

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2. **Definitions.**

- 2.1 **Conference, Seminar or Educational or Information Presentation.** For purposes of this Policy “Conference,” “Seminar,” or “Educational or Information Presentation” are activities that:
- 2.1.1 are held at an appropriate location for the subject matter being conveyed;
 - 2.1.2 have a primary purpose, dedicated both in time and effort, to promoting objective educational activities and discourse; and
 - 2.1.3 the main incentive for bringing attendees together is to further their knowledge on the topics being presented.
- 2.2 **Gifts and Business Courtesies.** Gifts and Business Courtesies are anything received at reduced or no cost from persons or entities outside of IHS and its affiliates or given by IHS employees, entities or Board Members at reduced or no cost to persons or entities outside IHS. Included are meals, entertainment, social events, professional courtesy discounts, tickets, golf fees, and other Gifts and Business Courtesies of any type.
- 2.2.1 *Tangible Gifts or Business Courtesies.* These include items capable of being perceived by touch, such as golf bags, items of apparel and food.
 - 2.2.2 *Intangible Gifts or Business Courtesies.* These are not tangible, such as golfing fees or the attendance at a concert or sporting event. If a non-IHS entity or individual offers or gives tickets to an event or tickets for travel or gives permission to attend an event or for the travel (when tickets aren’t needed), those would be examples of intangible Gifts or Business Courtesies for purposes of this Policy. For example, the travel by an IHS employee, for personal purposes, in a private aircraft flown at the expense of a non-IHS entity or individual would be an intangible Gift or Business Courtesy.
- 2.3 **IHS entity.** IHS entity means the organization(s) within the IHS system wide group of entities, including hospitals, outpatient facilities and physician clinics. This policy does not apply to joint venture entities involving IHS entities, but does apply to IHS entity employees when involved with joint venture operations.
- 2.4 **Vendor.** The term Vendor includes all non-IHS individuals or entities that provide or may provide goods or services of any kind to an IHS entity. Examples include information technology consultants or Vendors; construction services, banking and other consulting services; or sellers of pharmaceuticals, office supplies, and medical products. The term Vendor has a very broad meaning as used within this Policy.

3. **Basic Rules Applicable to all Gifts and Business Courtesies.** The following **Basic Rules** are applicable to all Gifts and Business Courtesies offered, received or exchanged by an employee or Board Member with a non-IHS person or entity. No Gift or Business Courtesy may violate these **Basic Rules**:
 - 3.1 Gifts and Business Courtesies offered to or received by a non-IHS person or entity, or offered to or received by an employee or Board Member, cannot be used to improperly influence decision-making with regard to the IHS entity. The IHS Code of Conduct requires decisions made by employees, officers and directors to be objective, unbiased decisions that are in the best interests of the entity and that the person making the decision be free of inappropriate conflicts of interest.
 - 3.2 No purpose of a Gift or Business Courtesy to or from a non-IHS entity can be to induce the referral of a patient or the ordering of a service or supply paid for by a governmental healthcare program. The Anti-Kickback Statute is a federal criminal law that prohibits any type of remuneration to be exchanged if a purpose of the remuneration is to induce the referral of patients or the ordering of a service or supply paid for by a governmental healthcare program.
 - 3.3 Employees and Board Members are prohibited from extending or accepting Gifts or Business Courtesies to or from a non-IHS person or entity that are cash or a cash equivalent (checks, stock instruments and other items that can readily converted to cash).
 - 3.4 **Stark Law Rules.** No Gifts or Business Courtesies given to an independent physician(s) by an IHS employee, Board Member or entity or received by an IHS employee, entity or Board Member from an independent physician(s) can be determined in a manner that takes into account the volume or value of referrals or other business generated between the IHS entity and the independent physician(s) or physician group.
4. **Acceptance of Gifts and Business Courtesies by Employees.** (See Section 7 for gifts from patients.)
 - 4.1 **Acceptance of Tangible Gifts and Business Courtesies by Employees.** Employees may accept personal, tangible Gifts or Business Courtesies (such as a tote bag or food) if:
 - 4.1.1 the **Basic Rules** (*page 3*) are not violated;
 - 4.1.2 the Gift or Business Courtesy is not substantial in value, that is, is not more than \$50 per Gift or Business Courtesy per employee or not more than \$200 in total per employee from any Vendor or person in any

any year.

- 4.2 Acceptance of Intangible Gifts and Business Courtesies. Employees may accept personal, intangible Gifts and Business Courtesies (such as golf fees or the attendance at a sports or entertainment event) from a non-IHS individual or entity if:
- 4.2.1 the **Basic Rules** (*page 3*) are not violated;
 - 4.2.2 the value of the intangible Gift or Business Courtesy, such as attending a concert or athletic event, is no more than \$100 per person;
 - 4.2.3 no travel or expenses are paid by the non-IHS individual or entity;
 - 4.2.4 the acceptance of such intangible Gift or Business Courtesy, such as the attendance at such event(s) is infrequent, not more than four times per year, from a single non-IHS individual or entity; and
 - 4.2.5 if the intangible Gift or Business Courtesy is attendance at an event, such as a concert or athletic event, the host (the non-IHS person or entity sponsoring the attendance) is at the event and business is discussed.
- 4.3 Exceptions. Any exception to Sections 4.1 or 4.2 must be approved, in advance, by the employee's supervisor and the entity Compliance Officer or CEO. Any exception(s) by the CEO requires the prior approval of the entity Compliance Officer. The person approving the exception should maintain documentation of the exception for a period of two years.
- 4.4 Additional Rules for Vendors. In addition to the above rules in this Section 4, the following rules apply to employees' acceptance of Gifts or Business Courtesies from Vendors.
- 4.4.1 *Meals Supplied by Vendors to Non-Supervisory Staff.* Each IHS entity may choose whether or not to allow meals to be supplied by Vendors to primarily non-supervisory employees. Entities that permit meals to be supplied by Vendors should follow these guidelines. Meals must be:
 - 4.4.1.1 modest by local standards ("modest" means one similar to what an employee might have when dining at his or her own expense); and
 - 4.4.1.2 accompanied by an Educational or Information Presentation. For example, lunch for staff, when connected with an Educational or Information Presentation is acceptable, as is a

modest buffet meal accompanied by an Educational or Information Presentation. “Dine and dash” type meals offered by Vendors are not acceptable. Meals of more than modest value, meals not accompanied by an Educational or Information Presentation, or lunch for staff not connected to an Educational or Information Presentation are not acceptable.

- 4.4.2 *Meals Supplied by Vendors to Supervisors.* Section 4.1 is intended to apply to meals or Gifts and Business Courtesies of food provided by Vendors to supervisory personnel.
- 4.4.3 *Vendor Subsidized Seminars.* A Vendor may subsidize an employee’s attendance to a Conference, Seminar, or other Educational or Information Presentation sponsored by a non-IHS entity only by giving such subsidy to the Conference’s sponsor, who in turn can use the money to reduce the Conference’s registration fee for all participants. An employee should not accept direct payments from a Vendor to defray the registration costs of a Seminar or Conference. Further, an employee should not accept a subsidy, directly or indirectly, from a Vendor, to pay for the costs of travel, lodging, or other personal expenses of an employee in connection with attendance at Seminars or Conferences, nor should subsidies be accepted to compensate for an employee’s time. An employee may accept from the Seminar or Conference sponsor modest meals or social events held as part of a Conference or Seminar and offered to all attendees.
- 4.4.4 *IHS Entity Sponsored Seminar or Conference Funded by Vendor.* It is appropriate to allow a Vendor to fund the development of an Educational Conference or Seminar in which an IHS entity is the sponsor when:
- 4.4.4.1 the IHS entity and/or another accredited sponsors have responsibility and control over the content and faculty of the Seminar, Conferences, meetings, or lectures; and
- 4.4.4.2 the funding Vendor does not develop the complete Educational Program for approval by the IHS entity.
- 4.4.5 *Vendor Sponsored Training.* In the event that IHS or an IHS entity has purchased or leased equipment or software from a Vendor, and as part of the purchase price of the equipment, employee(s) have been invited by the Vendor to travel to another location to learn how to operate the software or equipment, employee(s) may accept the cost of reasonable travel expenses and modest meals and lodging provided by Vendor so long as the employee’s supervisor has approved the trip in advance.

- 4.4.6 *Evaluation of Vendor's Product or Services.* If a Vendor offers to provide or pay for the travel and accommodation of IHS employees related to the evaluation of a Vendor's product or service, the IHS entity may accept the Vendor's offer if:
- 4.4.6.1 the fair market value of the travel and accommodations are submitted by the employee as business expenses;
 - 4.4.6.2 the IHS entity bills the Vendor for the travel and accommodations; and
 - 4.4.6.3 the employee's supervisor approves the travel and accommodations prior to the travel.
- 4.4.7 *Contributions from Vendors.* Contributions from Vendors are welcomed by IHS entities. Each entity must evaluate any conditions or restrictions that are attached by the Vendor to the contribution and whether or not the conditions violate the **Basic Rules** (page 3) or restrict the IHS entities' ability to meet its mission and use the funds for charitable, compliant purposes consistent with this Policy. Vendor contributions that are disguised payments not permitted by this Policy should be declined or restructured to be acceptable.
- 4.4.8 *Solicitation of Vendors.* Employees' or IHS entities' solicitation of Vendors may not violate the **Basic Rules** (page 3) and may be done in conjunction with the applicable Foundation office.
- 4.4.9 *Prizes awarded by Vendors.* If an employee is awarded a prize as the result of a Vendor sponsored promotion or contest open to a broad audience, the employee may keep the prize if its value is less than \$125 for either a tangible prize (see Section 2.2.1) or an intangible prize (see Section 2.2.2). If the value of the prize is higher, then the employee must report the circumstances to the entity Compliance Officer. Whether or not the employee may keep the prize or must donate it to the entity depends upon the facts and circumstances of the individual situation and the determination will be made by the Compliance Officer and the employee's supervisor.

5. **Offering or Giving of Gifts or Business Courtesies by Employees or IHS Entities.** (See Section 7 for gifts to patients. See also IHS Compliance Policy 1.PS.13, Providing Free or Below Fair Market Value Items, Services or Other Benefits to Physicians, concerning incidental medical staff benefits and non-monetary gifts less than \$300 per year to independent physicians.)

- 5.1 Offering or Giving of Tangible Gifts or Business Courtesies by Employees or IHS Entities. Personal, tangible Gifts or Business Courtesies (such as a tote bag or food) may be offered or given to non-IHS persons or entities if:
 - 5.1.1 the **Basic Rules** (*page3*) are not violated;
 - 5.1.2 the Gift or Business Courtesy has a value of less than \$75.00 per Gift or Business Courtesy or not more than \$200 per year to any person or entity.
 - 5.1.3 See Section 7 for rules for Gifts or Business Courtesies to or from patients.
- 5.2 Offering or Giving of Intangible Gifts or Business Courtesies by Employees or IHS Entities. Employees or IHS entities may offer or give intangible Gifts or Business Courtesies (such as golf fees or the attendance at a sports or entertainment event) to a non-IHS person or entity, if:
 - 5.2.1 the **Basic Rules** (*page 3*) are not violated;
 - 5.2.2 the value of the intangible Gift or Business Courtesy, such as attending an event like a concert or athletic event, is no more than \$125 per person;
 - 5.2.3 no travel or expenses are paid by the IHS employee or entity;
 - 5.2.4 the offering of such intangible Gift or Business Courtesy, such as the attendance at such event(s) is infrequent, not more than four times per year, to a single non-IHS individual or entity; and
 - 5.2.5 if the intangible Gift or Business Courtesy is the attendance at an event, the host (the IHS person or entity sponsoring the attendance), is at the event and IHS entity business is discussed.
- 5.3 Any exception to Sections 5.1 or 5.2 must be approved, in advance, by the employee's supervisor and the entity Compliance Officer or CEO. Any exception(s) by the CEO requires the prior approval of the entity Compliance Officer. The person approving the exception should maintain documentation of the exception for a period of two years.
6. **Gifts or Business Courtesy Standards for Board Members.** Board Members may accept or extend Gifts and Business Courtesies if:
 - 6.1 the **Basic Rules** (*page3*) are not violated; and

- 6.2 the value of the Gift or Business Courtesy does not exceed appropriate community standards, meaning, in common terms, that the Gift or Business Courtesy is such that the Board Member and the entity on whose Board the Member sits would be comfortable if the Gift or Business Courtesy became known in the community or was reported in local news media.
7. **Gifts or Business Courtesies to or from Patients.** Employees may: (1) accept non-monetary Gifts or Business Courtesies from patients; or (2) give non-monetary Gifts or Business Courtesies to patients if:
- 7.1 the **Basic Rules** (*page 3*) are not violated;
- 7.2 the Gift or Business Courtesy is inexpensive, that is, has a value of no more than \$10, individually, or no more than \$50, total, per patient per year; and
- 7.3 any exceptions to these Section 7 Rules require prior approval from the entity Compliance Officer or the IHS Law Department.

No Solicitation. Employees are prohibited from soliciting, or asking for, tips, personal gratuities or Gifts or Business Courtesies from patients, and employees may not accept monetary tips or cash from patients or patient representatives. (Payment to the entity for healthcare services provided it is not precluded by this Policy.)

Donations. If a patient or other individual wishes to make a donation or other gift, the patient or patient representative should be put in touch with the employee's supervisor or the appropriate Foundation Office.

Gift Certificates. For purposes of this Policy, gift certificates that cannot be exchanged for cash are non-monetary gifts as described above.

8. **Faculty/Speakers, Consultants or Researchers.**
- 8.1 **Faculty/Speakers.** It is appropriate for employees who serve as faculty or speakers at Conferences, Seminars or other Educational Information Presentations to accept reasonable honoraria and reimbursement for modest travel, lodging and meal expenses from a Vendor that funds a Conference or Seminar.
- 8.2 **Consultants.** It is appropriate for outside consultants who provide genuine services, pursuant to a written Service or Consultant Agreement, to receive reasonable compensation and to accept reimbursement for reasonable travel, lodging and meal expenses. For example, if an IHS entity invites a Vendor to visit the IHS entity facilities for review and comment on a research project or to discuss the Vendor's independent research projects or to explore the potential for collaboration on a research project, the IHS entity may properly pay reasonable compensation and cover travel, modest meal and lodging

expenses for the Vendor. The same is true for IHS or IHS entity employees who provide bona fide consultant services to Vendors.

- 8.3 Travel for Research Purposes. If employees travel to convene for a genuine research purpose, an employee may allow a Vendor to pay for reasonable travel expenses of the employee, including travel, modest meals and lodging. This includes groups where the group serves a genuine research purpose. “Genuine research purpose” means a purpose that is exclusively dedicated to research and is not for promotional purposes. In such cases, employees may be compensated for time and travel expenses if approved by the employee’s supervisor. For example, it is permissible for a Vendor that is convening a group of medical personnel to recruit clinical investigators, or convene clinical investigators for a meeting to discuss results of a clinical trial, to pay for such expenses if such meeting or expenses are approved, in advance, by the employee’s supervisor.
- 8.4 Prior Approval. An employee who serves as a faculty member or speaker at a Conference or Seminar as described in Section 8.1, a consultant as described in Section 8.2 or a researcher as described in Section 8.3, should inform the employee’s supervisor prior to the Conference, Seminar, consulting engagement or research travel if the employee’s role is as a result of their employment or position with the IHS entity or if the person’s job position or employer is used with the employee’s role as a faculty member, speaker, consultant or researcher.
- 8.5 Use of Benefits or Paid Time Off (PTO) for Faculty, Consultant or Research Roles. If an employee uses PTO time for their role(s) as faculty (in Section 8.1), consultant (in Section 8.2) or researcher (in Section 8.3), then the employee may keep any fees or compensation unless otherwise provided in their employment agreement. If PTO benefits are not used for the role(s), the fees or compensation should be given to the IHS entity who employs the employee.

9. **Additional Comments.**

- 9.1 Events When Host Not Present. If an employee receives or provides tickets to a sporting, theatrical or similar event, as provided in 4.2 and 5.2 above, and the person or entity providing the tickets is not at the event and business is not discussed, as provided above, then the person receiving the tickets should pay, from their personal funds, for the fair market value of the tickets, thus removing the transaction from the scope of this Policy.
- 9.2 Physician Recruitment. For meals or other events related to the recruitment of a physician, see IHS Compliance Policy 1.PS.7, Recruitment of Non-employed Physicians.

- 9.3 Private Matters Outside Scope of Policy. Employees may pay for the costs of gifts or social events provided by the employee to others, and, provided the employee is not acting on behalf of an IHS entity and does not include these costs as a business expense for tax purposes and does not charge the entity or otherwise receive reimbursement from the entity to cover this expense, this event would be outside the scope of this Policy.
- 9.4 Political Gifts and Political Action Committees. Employee gifts or donations to political candidates, organizations, or Political Action Committees may not be paid or reimbursed by IHS or an IHS entity. (See IHS Compliance Policy 1.TX.2, Political Contributions.)
- 9.5 Family Members. The scope of Gifts or Business Courtesies includes family members and others who receive the Gift or Business Courtesy on behalf of the non-IHS person or family members and others who receive the Gift or Business Courtesy on behalf of an employee or Board Member.
- 9.6 Settlement of Disagreements or Complaints. Nothing in this Policy affects the ability of IHS or an IHS entity from agreeing to resolve a disagreement with a Vendor or a complaint from a patient.
- 9.7 PTO Contributions. Employees' contributions of PTO to individuals or for purposes approved by IHS or the IHS entity employer do not violate this Policy.

/s/ Samuel T. Wallace

Samuel T. Wallace
President