

POLICY NUMBER: AS0047CCP

NURSING CODE: _____

PAGE NUMBER: 1 of 11

TITLE: **GIFTS, GRATUITIES AND RELATIONSHIPS WITH VENDORS, CONTRACTORS AND THIRD PARTIES**

ACCOUNTABILITY:

President and Chief Executive Officer

OBJECTIVES:

RELATION TO MISSION:

Our Lady of Lourdes, a Catholic Health System dedicated to its Franciscan Tradition of serving all, will demonstrate the value of **Integrity** by fostering an ethical and moral environment where the behavior of trustees, officers, managers, supervisors, associates, employed physicians, volunteers, students and others (hereinafter stakeholders) is positively impacted by adherence to this policy.

RELATION TO OPERATION:

This policy provides guidance to all of Our Lady of Lourdes Health Care Services, Inc.'s and Affiliates' (OLLHCS, Inc.'s) stakeholders. It assists us in carrying out our daily activities within appropriate ethical and legal standards.

The following policy has been merged into this policy:
AS0025ADM: Gift and Gratuities

I. POLICY:

OLLHCS, Inc.'s Compliance program and the Corporate Compliance Code of Conduct require integrity in all business conduct. Integrity in the context of routine business relationships includes the avoidance of circumstances, which unduly influence business decisions or may be perceived as such. Such circumstances include instances of acceptance of gifts, meals, social and entertainment events and honoraria. Such relationships and circumstances may be in fact or be perceived as creating a financial or

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personal benefit to the stakeholder, family member or personal friend which may improperly influence the decision making process.

It is the policy of OLLHCS, Inc. that stakeholders avoid such circumstances. This policy and the procedures set forth below identify prohibited circumstances; set forth guidelines for evaluating permissible circumstances and set forth a process for disclosure of circumstances or relationships that may give rise to a conflict of interest.

II. DEFINITIONS

A. Business decisions:

are those decisions that involve the selection of vendors, contractors or third parties with whom OLLHCS, Inc. will contract for service or product purchase; further, including the recommendation thereof or negotiation of the terms of any such contract.

B. Stakeholders with significant business decisional authority:

are the President / CEO, Chief Administrative Officers, Senior Vice Presidents, Vice Presidents, Assistant Vice Presidents and the Corporate Director of Material Management.

III. PROCEDURES:

A. PROHIBITED CIRCUMSTANCES

1. The following conduct/circumstances and relationships are prohibited.
 - a) No stakeholder may serve as a paid consultant to any person or organization conducting or seeking to conduct business with OLLHCS, Inc. unless a written exception is granted by the President and CEO or designee prior to the commencement of such consulting relationship. Any stakeholder who currently is a paid consultant at of the initial adoption of this policy must obtain a written exception from the President and CEO or

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designee within three (3) months of the adoption of this policy. (See Attachment A.)

b) No stakeholder may accept any gift in the nature of cash or cash equivalents (e.g. checks, gift certificates, gift cards, etc.) from any patient, family member, visitor, vendor, potential vendor, contractor, consultant or student personnel.

c) No stakeholder may solicit a personal gift, meal or invitation to a social or entertainment event from any patient, family member, visitor, vendor, potential vendor, contractor, consultant or student personnel.

d) Stakeholders are prohibited from offering gifts, meals, social and entertainment events or honoraria to federal, state or local government representatives in situations where the offering of such would violate federal, state or local laws and regulations or give rise to the perception of a violation.

e) No stakeholder with significant business decisional authority shall serve on the Board of Directors of any organization conducting or seeking to conduct business with OLLHCS, Inc. without the prior approval of the President and CEO or designee. Any stakeholder who currently is a member of the Board of Directors of any organization conducting or seeking to conduct business with OLLHCS, Inc. at of the initial adoption of this policy must obtain a written exception from the President and CEO or designee within three (3) months of the adoption of this policy. (See Attachment A.)

B. PERMITTED CIRCUMSTANCES/RELATIONSHIPS

The following guidelines should be used by stakeholders to guide their decision-making processes. Any questions, uncertainties or need for further guidance about circumstances involving relationships with vendors, contractors and third parties should be directed to the stakeholder's immediate supervisor or the Director of Compliance and Privacy Officer.

1. General Considerations

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Every stakeholder with business decision making authority or the ability to influence such decisions on behalf of OLLHCS, Inc. should be mindful of the following guidelines:

- a) This policy applies to anything given or received as a result of a business relationship for which they or the recipient does not pay fair market value.
- b) Stakeholders should avoid a pattern of accepting gifts, meals, or social and entertainment events from the same persons or companies. Stakeholders should be cognizant of the frequency, cost and specific circumstances of accepting gifts from vendors and contractors.
- c) Business decision-making by stakeholders should be based solely upon OLLHCS, Inc.'s best business interests.
- d) Stakeholders should not use their employment or other status within OLLHCS, Inc. to seek personal gain from those doing business with or seeking to do business with OLLHCS, Inc., nor accept such gain if offered.
- e) Stakeholders who negotiate or award contracts or who influence the allocation or placement of business should avoid the appearance of favoritism/partiality or other conduct that has the potential to adversely affect OLLHCS, Inc.'s reputation for impartiality and fair dealing. The recommended course of action should be to refuse a gift, social and entertainment events, or meals from a supplier when OLLHCS, Inc. is involved in the process of choosing or reconfirming a supplier or under circumstances that would create an impression that offering gifts, social and entertainment events, or meals is a way to obtain OLLHCS Inc.'s business.
- f) As not all gifts, meals, social and entertainment events, and honorarium are inconsistent with the integrity of OLLHCS, Inc.'s business processes, stakeholders should use judgment and consult with his/her immediate supervisor as to whether a gift, meal, or social and entertainment events might be compromising or unreasonable under the circumstances.
- g) Any gift, social and entertainment events, or meal that is reoccurring must be approved by the stakeholder's immediate supervisor. If a supervisor has any doubt about the propriety of a proposed gift, meal, or

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social and entertainment event, he/she should consult OLLHCS, Inc's Director of Compliance and Privacy Officer or other designated individual.

h) Stakeholders will annually document in their financial/personal interest reports (See attachment A) any gifts, social and entertainment events, or meals that exceed the policy's specified threshold amount. Attachment A will be given either to the associate's direct supervisor or the Director of Compliance and Privacy Officer who will determine if a conflict of interest exists. If it is determined by either party that indeed there is a conflict of interest than the appropriate Vice President will be notified and actions taken to ensure the elimination of the conflict.

i) Gifts, social and entertainment events, or meals in any form that would likely result in a feeling or expectation of personal obligation on the part of OLLHCS, Inc. should not be extended or accepted.

2. Specific Issues.

The following are conditions established for the acceptance of gifts, meals, social and entertainment events, educational opportunities, charity events, and honoraria. The conditions also establish when disclosure is required.

a) **Non-Monetary Gifts.** Non-Monetary gifts offered to stakeholders from current or potential business associates may be accepted under the following conditions:

(1) The value does not exceed \$100 annually. Such gifts may include items of small value, such as coffee cups, tee shirts or pens from third parties given for promotional purposes. If the cost of the gift does not exceed the guidelines, but could give an appearance of an attempt to influence a business decision or a conflict of interest, the stakeholder should disclose it (using attachment A) to his/her supervisor.

(2) Perishable or consumable gift that is given to the department is generally acceptable if

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- (a) it is part of an educational training session for a equipment already purchased by OLLHCS, Inc., or
- (b) given during the major holidays.

In these cases, appropriateness should guide acceptance.

(3) Gifts (monetary or non-monetary) from patients, family members, visitors, sponsors, vendors, potential vendors, contractors, consultants or student personnel to an entire department for the entire department's use are permissible and not subject to any limits.

(4) Departments may not solicit gifts. Vendors and individuals wishing to support an individual department with a significant gift shall be referred to Our Lady of Lourdes Health Foundation, Inc. (hereinafter Foundation), which will accept the gift on the department's behalf.

(5) Donors should be asked to specifically identify their intentions for their donation to the department through a letter addressed to the Foundation otherwise the gift will be used for general purposes of OLLHCS, Inc.

(6) Stakeholders may not accept for their personnel use discounts or special terms on purchases from vendors or potential vendors unless the discount or special term is available to the general public.

(7) The proper way to respond to any individual or group who **insists** on presenting a "gift" or "gratuity" above the limit outlined above is to explain that OLLHCS, Inc. policy requires that all offers for contributions be directed to the Foundation in order to prevent any disturbance in the operations of OLLHCS, Inc.

(8) Nothing contained herein shall limit the Foundation in its fundraising efforts

b) **Social or Entertainment Events.** Invitation to stakeholders from current or potential business associates to attend a social or entertainment event in order to further develop their business relationships may be accepted under the following specific conditions:

- (1) Business discussions or the development of business relationships will occur.

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(2) The event will not exceed a value of \$100 per stakeholder.

(3) If it is later determined that the event did exceed the \$100 per stakeholder limit, then the stakeholder will disclose this fact in a reasonable amount of time to his/her immediate supervisor and identify it in an annual written disclosure. (See Attachment A.)

(4) The benefit the stakeholder receives will not be calculated into current or future decisions with the business associate.

c) **Vendor Sponsored Events.** Invitations to stakeholders from current or potential business associates to attend training and educational opportunities that include travel and overnight accommodations at no cost to the stakeholder or to OLLHCS, Inc. may be accepted under the following conditions:

(1) The amount of time at the event that is spent on recreation and/or entertainment should be proportionately less compared to the time devoted to substantive educational or training matters.

(2) The event venue is more educational than recreational.

(3) In no case, may the business associate pay for the travel expenses of a stakeholder's spouse or guest.

(4) Prior to accepting any such invitation, the stakeholder's supervisor should approve it in writing.

(5) See the OLLHCS, Inc.'s policy AS0035CCP, "Vendor-Promotional Training" for further details.

d) **Meals.** Meals offered to stakeholders from current or potential business associates and occurring in connection with business discussions or the development of business relationships may be accepted under the following conditions:

(1) If it is modest, infrequent and as often as possible on a reciprocal basis.

(2) The meal will not exceed \$100 per stakeholder. If it is later determined that the meal cost exceeded the \$100 threshold, the stakeholder should disclose this to his/her immediate supervisor and identify it in an annual written disclosure.

e) **Charitable Fund Raising Events.** Stakeholders and all those who represent OLLHCS, Inc. may accept invitations by vendors to charitable

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fund raising events, including OLLHCS, Inc.'s events, under the following conditions:

- (1) The vendor offers the invitation through the Foundation and attendance is reviewed by the CEO, or his/her designee.
- (2) Attendance at a fund raising event sponsored by a vendor of OLLHCS, Inc. should not be limited to one representative of OLLHCS, Inc. on an ongoing basis, but should be shared to fully represent OLLHCS, Inc.
- (3) The monetary value of the invitation, which includes a donation value of the event, should not exceed \$250.
- (4) Gifts solicited on behalf of OLLHCS, Inc. should be coordinated with the Foundation.

f) **Honoraria.** Unless otherwise agreed by OLLHCS, Inc., honoraria received as part of carrying out business or community service in the name of OLLHCS, Inc. must be endorsed over and/or paid directly to OLLHCS, Inc.

IV. DISCLOSURE PROCESS

Stakeholders who have significant decision-making authority on behalf of OLLHCS, Inc. or who are in a position to influence such decisions shall

- 1) notify their immediate supervisor or Director of Compliance & Privacy Officer of any relationship or circumstance which may create a real or potential conflict of interest; and
- 2) remove themselves from the decision making process related to the specific interest.

Appropriate documentation of the report and action taken to preserve the integrity of the process shall be maintained by the President and CEO.

Stakeholders shall annually report to their supervisor in writing each occasion where a gift, meal or social and entertainment event from any one vendor exceeded the maximum value as set forth in this policy. Annual stakeholder disclosure statements shall be reviewed by supervisory personnel for actions consistent with this policy.

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Our Lady of Lourdes Health Care Services, Inc. and Affiliates

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Failure to comply with this policy may subject the individual to disciplinary action consistent with Human Resource policies.

A summary of this policy will be provided to all stakeholders and described at new associate orientation. This policy will be provided to vendors/contractors and other entities engaged in business with OLLHCS, Inc.

APPROVED BY: _____
Alexander J. Hatala, President and Chief Executive Officer

ORIGINAL AND REVISION DATE(s) 08/24/06

NEW EFFECTIVE DATE: 08/31/09

REQUIRES REAUTHORIZATION IN: 08/31/12

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Attachment A

Disclosure Statement

INSTRUCTIONS: All stakeholders are required to complete this form and submit to their supervisor, or the Director of Compliance and Privacy Officer, for review. This form ensures that all perceived and/or potential conflicts of interest are reported and documented thoroughly as specified by this policy.			
NAME:		TITLE:	
DEPARTMENT:		PERIOD COVERED:	
EMPLOYMENT STATUS (check one):	Full-time: <input type="checkbox"/>	Part-time: <input type="checkbox"/>	Per-diem <input type="checkbox"/>
This disclosure statement should be filed with your supervisor or the Director of Compliance & Privacy Officer each time the limits of this policy have been exceeded.			
1. <input type="checkbox"/> Plan on Working as an employee, independent contractor or consultant (paid or unpaid) for any organization other than OLLHCS, Inc? Exclude work that has no relationship to your responsibilities at OLLHCS, Inc. and takes place solely after normal working hours. . (Needs Prior approval of the President and CEO) Comment: _____ _____ _____			
2. <input type="checkbox"/> Serve on the Board of Directors of any organization conducting or seeking to conduct business with OLLHCS, Inc. (Needs Prior approval of the President and CEO) Comment: _____ _____ _____			
3. <input type="checkbox"/> Accepted a non-monetary gift, social or entertainment event or meal greater than \$100 in value from one vendor. Comment: _____ _____ _____			
4. <input type="checkbox"/> Accepted a non-monetary gift, social or entertainment event or meal that is reoccurring from one vendor or potential vendor. Comment: _____ _____ _____			
5. <input type="checkbox"/> Accepted an invitation to a charitable fund raising event greater than \$250 in value from a vendor or potential vendor. Comment: _____ _____ _____			

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6. Accepted an honoraria as part of carrying out business or community service in the name of OLLHCS, Inc. (**Honoraria must be endorsed over and or paid directly to OLLHCS, Inc. unless exempt by the President and CEO.**)

Comment:

7. Other Disclosure.

Comment:

YOUR SIGNATURE: By signing this form you (1) certify that you have read this policy and; (2) certify that the information contained in this form is complete and accurate to the best of your knowledge.

Signature: _____

Date: _____

VIOLATION OF THIS POLICY IS CONSIDERED A SERIOUS MATTER AND MAY RESULT IN DISCIPLINARY ACTION UP TO AND INCLUDING TERMINATION.

Management Review: After you have reviewed this disclosure form, please check the appropriate statement, and sign below.

I have reviewed this disclosure form and determined that:

- The individual had no material conflict of interest with regard to his/her responsibilities.
 The individual had a material conflict and the following description is how he/she will eliminate the conflict for next year.

Signature: _____

Date: _____

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