System | Policy and Procedure
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Title: | Business Gratuities
Number: | SY-CO-006
Applies to: | All SIH Employees
First Created: | 5/04
Issuing Dept: | Corporate Compliance
Last Revised: | 7/22/15
Approved by: | April Holmes, Director/Corporate Compliance Officer

I. POLICY

In healthcare, gifts and gratuities pose a risk for conflict of interest and fraud and/or abuse related to anti-kickback laws and regulations. To avoid such issues, no Southern Illinois Healthcare (SIH) employee offers or receives gratuities with value in excess of $392 aggregate in one year with limited exceptions as provided in this policy. The solicitation of business gratuities is strictly prohibited. This system-wide policy does not supersede any departmental policy that is more stringent.

II. DEFINITIONS

Business Gratuities – Business gratuities include gifts, entertainment, and educational events related to business activities between two or more parties. They include items of value given free of cost and social events sponsored or hosted by businesses. Examples include meals, sporting events, theatrical events, and receptions. Business meetings with a meal are not considered business gratuities, unless such meetings are excessive in frequency and cost.

Civil Union – A legal relationship between two persons, of either the same or opposite sex, established pursuant to the Illinois Religious Freedom Protection and Civil Union Act

Party to a Civil Union – a person who has established a civil union pursuant to the Illinois Religious Freedom Protection and Civil Union Act; party to a civil union means, and is included in any definition or use of the terms spouse, family, immediate family, dependent, next of kin, and other terms that denote the spousal relationship

Physician Gift Database – an Access database designed to capture the value, nature and timing of reportable gratuities extended to referral sources

III. RESPONSIBILITIES

1.0 Employees – Be aware of and comply with this policy.

2.0 Managers – Track gratuities received from vendors. Notify facility representative for immediate entry into the Physician Gift Database any gratuities extended to facility referral sources as required by this policy. Report suspected violations to the Corporate Compliance Officer.

3.0 Administrators – Monitor compliance with this policy.

4.0 Corporate Compliance Officer – Monitor aggregate totals for compliance with the limits stated in this policy. Maintain the Physician Gift Database for each facility.
IV. EQUIPMENT/MATERIALS

1.0 Annual Conflict of Interest Statement

V. PROCEDURE

1.0 A party to a civil union is entitled to the same legal obligations, responsibilities, protections, and benefits as are afforded or recognized by the law of Illinois to spouses, whether they derive from statute, administrative rule, policy, common law, or any sources of civil or criminal law.

2.0 Receiving business gratuities from vendors and other entities not related to patient referral
   2.1 Employees of SIH may receive business gratuities from entities such as vendors as long as the following criteria are met:
      A. The gifts or gratuities do not exceed an aggregate of $392 per year from a single source;
      B. The donor makes similar gifts to other like individuals or entities;
      C. The gift is not determined in any manner that takes into account the volume of business with SIH;
      D. Such gifts are not linked to the referral of patients or business, and
      E. Acceptance and receipt of the gift does not influence or appear to influence the recipient’s judgment or conduct.
   2.2 Under no circumstances do employees of SIH solicit gifts or gratuities from vendors or other business associates.
   2.3 Under no circumstances are cash or cash equivalents (e.g., gift certificates, checks, stock certificates) acceptable unless the cash or equivalent is used to purchase something for the SIH department or facility.
   2.4 Each department manager tracks gratuities received from vendors and other entities.

3.0 Receiving business gratuities from entities to which SIH refers patients
   3.1 When accepting a gift or gratuity from SIH referral recipients, additional discretion is exercised. Employees of SIH may receive business gratuities from these entities under the following conditions:
      A. The gifts or gratuities do not exceed an aggregate of $392 per year from a single source;
      B. The donor makes similar gifts to other like individuals or entities, and
      C. The gift is not determined in any manner that takes into account the value or volume of patients referred by SIH.
   3.2 Under no circumstances do employees of SIH solicit gifts or gratuities from recipients of referrals.
   3.3 Under no circumstances are cash or cash equivalents accepted from referral recipients unless the cash or equivalent is used to purchase something for the SIH department or facility.

4.0 Examples of gifts and gratuities that may be accepted (within $392 yearly aggregate limit) from vendors and entities to which SIH refers patients, but that must be tracked and disclosed
   4.1 Dinner at a restaurant to discuss business
   4.2 Greens or entry fees for golf (whether one-on-one or for a charity or facility golf tournament)
   4.3 Tickets to entertainment and sporting events
4.4 Educational sessions that are reasonable in cost and do not include travel or lodging costs

4.5 Gifts (other than perishable items) given when SIH employees are hospitalized or in recognition of birthdays or other family occasions

5.0 Examples of items that may be received that are not gratuitous and are of nominal value and need not be tracked

5.1 Perishable items (e.g., flowers, food, or fruit)

5.2 Items provided in exchange for fair market value

5.3 Reasonable meals provided to an entire department

5.4 Pens, pencils, notepads, post-its, and other office supplies

6.0 Extending business gratuities to nonreferral sources

6.1 SIH may extend gifts and gratuities to nonreferral sources under the following conditions:
   A. The gifts or gratuities do not exceed an aggregate of $392 per year to a single source;
   B. SIH makes similar gifts to other like individuals or entities, and
   C. The gift is not determined in any manner that may affect business with SIH.

6.2 Under no circumstances are cash or cash equivalents extended to any individual or entity.

7.0 Extending business gratuities to SIH referral sources

7.1 When extending business gifts and gratuities to referral sources, additional discretion must be exercised. Gifts and gratuities may be extended to referral sources under the following conditions:
   A. The gifts and gratuities provided to the referral source do not exceed an aggregate value of $392 per year to a single referral source;
   B. SIH makes similar gifts to other like individuals or entities, and
   C. The gift is not determined in any manner that is intended to increase the volume of referrals to SIH.

7.2 All managers are responsible for recording reportable gratuities (see section V.7.0) that have been extended to referral sources in the Physician Gift Database located on each hospital shared drive.
   A. The facility administrator may centralize this function by designating an individual to accumulate reportable gratuity information.
   B. The Corporate Compliance Officer monitors the accumulated gratuity data for each referral source by calendar year for compliance with the $392 limit.

7.3 If SIH inadvertently exceeds the annual aggregate limit by no more than 50% during a calendar year, SIH must request that the referral source repay the excess value of the gratuity within the earlier of the end of the calendar year or 180 days from the date the gratuity limit was exceeded.

7.4 Under no circumstances are cash or cash equivalents extended to any individual or entity.

8.0 Examples of business gratuities that may be extended by SIH that must be tracked and disclosed

8.1 A special dinner at a restaurant for potential referral sources and their spouses to recognize potential referral sources for business related reasons such as to celebrate a milestone for the facility

8.2 Greens or entry fees for golf (whether one-on-one or for a charity or facility golf tournament)

8.3 Tickets for potential referral sources and/or their immediate family members to sporting or theatrical events
8.4 Gifts (other than perishable items) presented to potential referral sources or their immediate family members for any reason, including staff appreciation, hospitalization or to recognize a birthday or other family occasion

8.5 Continuing medical education (CME) program costs for a potential referral source, unless such costs are to be paid pursuant to a written personal services agreement

9.0 Examples of items that may be extended by SIH that are not gratuitous and are of nominal value and need not be tracked or disclosed

9.1 Gratuities valued at less than $33 per occurrence and which occur within the SIH facility provided the following criteria are met:
   A. The benefits are offered only during periods when the potential referral source is making rounds or performing other duties that benefit the SIH facility or its patients;
   B. All members of the medical staff are offered the same benefit;
   C. The benefit is reasonably related to the provision of, or facilitates the delivery of, medical services at the facility, and
   D. The benefit is not determined in any manner that takes into account the volume or value of referrals or other business generated between the parties.
      1) Examples of this exception include free parking or modest meals for physicians.

9.2 Perishable items (e.g., flowers, food, or fruit)

9.3 Items provided in exchange for fair market value price

9.4 Expenses for board members (including potential referral sources) to participate in a board retreat, including travel, meals, and lodging expenses

9.5 Meals free of charge for the purpose of recruiting a physician or provider to the community

9.6 Payment for a meal incident to a meeting with a potential referral source to discuss issues relating to the potential referral source's medical directorship on behalf of the facility

9.7 Meals for potential referral sources who attend the facility's medical executive committee (or similar) meetings

9.8 Provided all medical staff members are invited, one staff appreciation function per year, such as a holiday party either on or off facility premises for medical staff members and their spouses
   A. Gifts and/or door prizes provided in conjunction with the event must be tracked as noted in section V.7.4.

10.0 Exceptions to this policy

10.1 Personal relationships in which an SIH employee socializes with a potential referral source or other business associate and:
   A. The SIH employee personally pays the cost of social events, provided the SIH employee does not include this item as a business expense for tax purposes and does not otherwise receive reimbursement from SIH; or
   B. The potential referral source or other business associate pays the cost of social events.

10.2 Situations in which the potential referral source or other business associate is also the spouse of an SIH employee who attends social events in the capacity of the SIH employee’s spouse

10.3 Relationships between SIH and its employees

10.4 Relationships between SIH employees

11.0 Conflict of interest
11.1 Any gift or gratuity received by an SIH employee that does not meet the exceptions outlined in this policy is a potential conflict of interest and is disclosed as part of the employee’s annual conflict of interest statement to General Counsel. Refer to policy SY-LE-005: Conflict of Interest.

VI. DOCUMENTATION

1.0 The Physician Gift Database is maintained by each facility designee and the Corporate Compliance Officer.

VII. CHARGES

N/A

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