

Gifts, meals, and entertainment to referral sources & medical staff incidental benefits for physicians

C07

1.0 Purpose

- 1.1 Federal and state laws prohibit the Company from offering or paying anything of value to induce a person to refer, order or arrange a health care item or service provided by the Company. This policy establishes guidelines for providing gifts, meals, entertainment, and other items of value to referral sources.

2.0 Scope

- 2.1 This policy applies to all Company employees and agents acting on behalf of the Company.

3.0 Definitions

- 3.1 **GME** - means gifts, meals, entertainment and any other item or service of value.
- 3.2 **Annual GME limit** - the limit for GME spending to or for a physician referral source is **\$398** per year. The limit for GME spending to or for a non-physician referral source is
 - 3.2.1 **\$36** per recipient per event, not to exceed \$398 per recipient per year in the aggregate, for an individual; and
 - 3.2.2 **\$398** per year for an entity or organization, as described in more detail below.
- 3.3 **Physician referral source** - means a physician (or an “immediate family member” of a physician) who
 - 3.3.1 refers patients to the Company,
 - 3.3.2 orders items or services for patients of a Company home health or hospice branch
- 3.4 An **immediate family member** of a physician means the physician’s husband or wife; birth or adoptive parent, child, or sibling; stepparent, stepchild, stepbrother, or stepsister; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; grandparent or grandchild; and spouse of a grandparent or grandchild of the physician.)
- 3.5 **Non-physician referral source** - means any person or entity (including employees of such entity) that refers a patient to the Company, or that may arrange, recommend, or order a referral to the Company. Examples include, but are not limited to,
 - 3.5.1 an acute care hospital or an assisted living facility and its employees, such as discharge planners, case managers, and social workers.

4.0 Policy

- 4.1 **Physician referral sources.** A Company branch may provide up to \$398 of GME to a physician referral source per year.

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- 4.2 **Non-physician referral sources.** The Company may provide GME to a non-physician referral source as long as the value of the GME does not exceed \$398 per year. Specific guidelines are provided in [SOP 8.12 Expense Policy Review & Guidelines](#) of the Home Health and Hospice Standard Operating Procedures (SOP).
- 4.3 **Tracking GME.** Each Company employee who incurs GME expenses, must track GME provided to physician referral sources and non-physician referral sources in accordance with the expense reporting requirements outlined in SOP section 8.12.
 - 4.3.1 Any GME for a physician referral source or a non-physician referral source that exceeds the annual GME limit must be immediately reported to the Ethics & Compliance Department.
- 4.4 **Limitations.**
 - 4.4.1 The Company can provide GME only based on its own initiative. GME may not be provided at the request of a Physician or non-physician referral source.
 - 4.4.2 Under no circumstances may GME be related to the number, volume, value or amount of referrals from, or services or items ordered by, any person or entity.

5.0 Procedure

- 5.1 **Gifts, meals and entertainment (GME).** A Company home health or hospice branch may provide GME to a physician referral source, as long as the annual GME limit of \$398 is not exceeded. This limit applies collectively to all GME provided to the physician referral source.
 - 5.1.1 GME should be linked to an opportunity to educate the physician referral source regarding Company services and the benefits home health or hospice services to patients. However, GME can also include certain modest social events sponsored or hosted by the Company such as meals, sporting events, and receptions.
 - 5.1.2 No cash or cash equivalents may be provided to any physician referral source (e.g., no gift certificates, store-branded gift cards, debit or credit cards, frequent flyer miles, checks, bonds or stock certificates).
 - 5.1.3 Each Company home health or hospice branch must track and aggregate all GME provided to a physician referral source in accordance with expense reporting requirements outlined in SOP 8.12.
 - 5.1.4 Any GME related to a physician referral source's immediate family member must be applied toward the physician referral source's annual GME limit. For example, if an immediate family member attends a meal or event provided by the Company, then the immediate family member's pro rata share of the total cost of the meal or event must be applied toward the physician referral source's annual GME limit.
- 5.2 **Non-physician referral sources.** The Company may provide GME to a non-physician referral source as long as the value of the GME does not exceed \$398 per year and is consistent with the policy outlined in SOP 8.12.

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- 5.2.1 All GME provided to non-physician referral sources MUST be in conjunction with an educational opportunity or a purpose reasonably related to the promotion Company's services and business.
 - 5.2.2 No cash or cash equivalents may be provided to any non-physician referral source.
 - 5.2.2.1 For example, no gift certificates, store-branded gift cards, debit or credit cards, frequent flyer miles, checks, bonds or stock certificates.
 - 5.2.3 Each Company home health or hospice branch must track and aggregate all GME provided to a non-physician referral source in accordance with the expense reporting requirements outlined in SOP 8.12.
- 5.3 **Use of employee's personal funds.** Company employees may not use personal money for GME for physician or non-physician referral sources.
- 5.3.1 All GME should be submitted to the Company for reimbursement.
 - 5.3.2 In addition, benefits (or offers of benefits) a Company employee receives from a vendor or third-party may not be "passed through" to any physician or non-physician referral source (*i.e.*, vendor discounts).

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