

System – Administrative

TITLE:

Interactions between Vendors and Employees of SSM Health

OUTCOME STATEMENT:

Consistent with its mission and values, SSM Health seeks to ensure that clinical and business decision-making, education and research activities are free from influence created by improper financial relationships with, or gifts provided by, vendors. Evidence suggests that even small gifts can have a subtle, but real, influence on business decisions. As a result, the Office of Inspector General has recommended restrictive guidelines on interactions between vendors and health care professionals. In general, acceptance of a gift of any value from a vendor or prospective vendor is prohibited, unless permitted under an exception described in this policy. This policy is intended to provide sufficient guidance to ensure compliance with relevant laws and regulations, and with SSM Health's Standards of Ethical Conduct.

SCOPE:

This policy is applicable to employees of SSM Health* and its wholly-owned operating entities, SSM Health Medical Groups, and all other wholly-owned operating entities of SSM Health with the exception of Navitus and SSM Health Saint Louis University Hospital which maintain separate policies. This policy also outlines expectations for non-employed physicians with medical staff privileges but is restricted to the care they provide within and committee work they do on behalf of SSM Health and its operating entities.

FILE MAINTENANCE INFORMATION:

Original Effective Date: January 1998
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Review Dates:
Author(s): Corporate Responsibility,
Body or Person Last Approved: SSM Health General Counsel, System Vice President Corporate Responsibility

* As required by CMS Regulation §482.12 A-0043 Conditions of Participation: Governing Body, the following hospitals are included as SSM entities:

Missouri: (1) SSM Health St. Mary's Hospital – St. Louis and SSM Health Cardinal Glennon Children's Hospital, (2) SSM Health DePaul Hospital – St. Louis, (3) SSM Health St. Clare Hospital – Fenton, (4) SSM Health St. Joseph Hospital – Lake St. Louis, (5) SSM Health St. Joseph Hospital – St. Charles and SSM Health St. Joseph Hospital – Wentzville, (6) SSM Health St. Mary's Hospital – Jefferson City,

Oklahoma: (1) SSM Health St. Anthony Hospital and Bone & Joint Hospital at St. Anthony, (2) SSM Health St. Anthony Shawnee Hospital,

Wisconsin: (1) SSM Health St. Mary's Hospital – Madison, (2) SSM Health St. Clare Hospital – Baraboo, (3) SSM Health St. Mary's Hospital – Janesville, (4) SSM Health St. Agnes Hospital, (5) SSM Health Waupun Memorial Hospital, (6) SSM Health Ripon Community Hospital, (7) SSM Health Monroe Hospital

Illinois: (1) SSM Health St. Mary's Hospital – Centralia and (2) SSM Health Good Samaritan Hospital – Mt. Vernon

DEFINITIONS

- I. **Family Member:** Any person who is of close familial relation to an employee or physician (spouse/partner, parent, child, sibling, grandparent, cousin, aunt, uncle). Family member does not include casual friends, neighbors, acquaintances, or other people that are known but with whom there is not a relationship that falls under the definition of Family Member.
- II. **Ghostwriting:** A published study or article that someone other than the author(s) listed on the study or article primarily wrote.
- III. **Gift:** Anything of value given to the individual or that benefits the individual including cash, gift cards, tickets to an event, meals, beverages, entertainment, product samples, pens, mugs, logo wear, donations to a charitable cause (except as allowed in this policy), etc.
- IV. **Meeting Expenses:** These expenses include necessary travel expenses (airfare, taxi, parking, lodging, etc.) and meals. Any such expenses must be modest. All entertainment expenses and any travel or other expenses for a spouse or family member are not included.
- V. **Patient Educational Items:** Items designed primarily for the education of patients and/or health care professionals, such as text books, anatomical models, etc.
- VI. **Physician owned distributorship (POD):** a business entity, typically solely owned by physicians, that purchases medically implanted devices from manufacturers and resells or arranges the sale of them to hospitals. Some PODs are also involved in manufacturing or modifying the devices before resale.
- VII. **Vendor:** For purposes of this policy, a vendor is defined as an individual or company with whom SSM Health, or anyone acting on behalf of SSM Health, engages in a relationship for the exchange of goods and/or services. The definition of vendor also refers to consultants, external advisors, contractors, etc.

This does not include (a) identified partners of SSM Health (e.g. medical staff members, except in instances of a physician owned vendor (POV) or physician owned distributorship (POD), and affiliated hospitals), (b) hospital/professional membership associations (AHA, IHI, Advisory Board), (c) individuals or companies with whom SSM Health has an exclusive and strategic relationship with system-wide implications (e.g. external or internal audit service providers with whom SSM has a long-term contractual relationship), or (d) companies with which SSM Health has a partial ownership relationship. Even for those individuals and companies who are not presently considered “vendors,” no gifts or entertainment should be accepted while in the midst of contract negotiations or if such discussion is imminent.

PROCESS

- I. In general, acceptance of a gift of any value from a vendor or prospective vendor is prohibited, unless permitted under an exception described in this policy.
- II. When interacting with vendors, employees are expected to use professional conduct and tact when evaluating the interaction or gift under this policy and when communicating this policy to vendors. If the interaction/gift is not allowable under this policy, the employee may evaluate the ability/feasibility of covering the cost of the item personally or through an appropriate department budget, if appropriate. The following guidelines define specific requirements, including exceptions when appropriate, for accepting gifts from vendors:
 - A. Gifts, Reimbursements, or Direct Payments from Vendors
 1. Gifts
 - a. Meals:

- i. Meals supplied by vendors to SSM Health employees, including employed physicians and agents of SSM Health are prohibited in all SSM Health owned and operated settings, except as otherwise described in this policy.
 - ii. Meals provided in a restaurant setting by vendors are prohibited. SSM employees may attend educational sessions or legitimate business meetings held in a restaurant setting but should pay for their own meals and determine whether the expense is reimbursable under SSM's "Reimbursable Business Expense" policy.
 - iii. Vendor sponsored meals (including snacks, coffee, etc.) during a professional organization meeting or conference are permissible to attend.
 - b. Patient educational items are permitted on an occasional basis provided the item has a fair market value of less than or equal to 100 Dollars (\leq \$100) per item and the item is not given to patients.
 - c. Entertainment or personal/recreational items:
 - i. An employee can participate as a guest of a vendor in a fundraiser which benefits an SSM Health ministry (e.g., golf tournaments, dinner dances) provided such activities occur only on an occasional basis, and the value is limited to the actual cost of participation in the event.
 - ii. Entertainment or personal/recreational items (e.g., tickets to sporting events or the theater, sporting equipment, restaurant meals, leisure or vacation trips, art work, fine crystal, etc.) provided by vendors to any SSM Health employee, including employed physicians and members of their staff, are generally prohibited. Such items should not be accepted regardless of the value of the item. If appropriate or applicable, the employee may participate in such event at his/her own expense.
 - d. Items of nominal value such as mugs, pens or pencils or note pads may be accepted by employees, provided the number of items is minimal and the employees accepting the items are not involved in any way with evaluating or selecting the vendor's products and are not responsible for approving purchases from the vendor.
- 2. Reimbursements
 - a. Admission to educational meetings, travel and meeting expenses, compensation for time at meetings:
 - i. All SSM Health employees, including employed physicians and members of their staff, are prohibited from receiving free admission to educational meetings, reimbursement for travel expenses, and compensation for their time at educational meetings when participating as an attendee, as opposed to speaking as a faculty member, which is covered in a separate Section (3.c) of this policy.
 - ii. As outlined in the "Gifts" section above, SSM Health employees may not accept non-educational items at such meetings unless they are of nominal value but can accept patient and/or professional educational items that have a fair market value of not more than \$100.
 - b. Reimbursement for travel and meeting expenses related to business meetings associated with the evaluation of vendor products/services or staff training on purchased vendor products/services is permissible provided that the following conditions are met:
 - i. a legitimate business purpose exists for engaging the vendor;
 - ii. the meeting cannot be conducted locally and requires travel on the part of the SSM Health employee;

- iii. the travel accommodations provided by the vendor are modest as judged by local standards (e.g., no first-class travel) and the value of the meals are comparable to the Standard Meal Allowance as specified by the U.S. General Services Administration (www.gsa.gov/perdiem);
 - iv. the SSM Health employee does not accept gifts prohibited in this guideline or any entertainment or personal/recreational items; and
 - v. travel expenses for a spouse or significant other are borne by the employee.
3. Direct Payments
- a. Cash/cash equivalents:
 - i. All SSM Health employees, including employed physicians and members of their staff, are prohibited from accepting payments in cash or cash equivalents (e.g., gift certificates, gift cards, checks, or stock certificates) except as reasonable, fair-market-value compensation for certain services as described in relevant sections of this guideline or when accepted on behalf of SSM Health as part of an organized community-wide fundraising effort to further the ministry's charitable purpose.
 - ii. Discounts, rebates, or cash equivalents earned as a result of frequent business purchases may be accepted to defray the cost of future business purchases (e.g., \$25 coupon off of a future \$500 office supply order). Any such discounts or rebates shall be accurately reflected in all accounting.
 - b. Consulting:
 - i. SSM Health employees are required to assign to SSM Health any compensation offered by vendors for consulting. However, if allowed under the terms of the employee's contract or upon approval from the employee's supervisor, some employees may accept from vendors reasonable, fair-market-value compensation for consulting services provided that the following conditions are met:
 - a) a written contract specifies the nature of the consulting services to be rendered and the basis for payment of those services;
 - b) a legitimate, verifiable need is clearly identified in the contract for the consulting services;
 - c) a detailed description is provided in the contract as to why the particular employee was chosen for the consulting arrangement and what special expertise she/he offers;
 - d) the employee receives approval from her/his supervisor and/or appropriate supervisory body (e.g., SSM Health Medical Group Board of Directors);
 - e) the employee discloses the requested information regarding the consulting arrangement in the conflict of interest disclosure process/forms established by SSM Health.
 - c. Honoraria/speaking engagements:
 - i. Employees are required to assign to SSM Health any compensation offered by vendors for honoraria/speaking engagements. However, if allowed under the terms of the employee contract or with Supervisor approval, SSM Health employees, including employed physicians and members of their staff may accept from vendors reasonable, fair-market-value compensation, free admission to educational meetings when speaking at that meeting as a faculty member, and

travel expense reimbursement for speaking engagements provided that the following conditions are met:

- a) the activity is designed to promote evidence-based clinical care, advance scientific research, and/or promote best practices related to health care organization, operations, or delivery;
 - b) the financial support of the vendor is prominently disclosed;
 - c) the content of the employee's presentation is her/his own material and is not subject to prior approval by either representatives of the vendor or event planners contracted by the vendor;
 - d) the content of the employee's presentation is based on the best available scientific evidence or industry practices;
 - e) the employee receives approval from her/his supervisor and/or appropriate supervisory body (e.g., SSM Health Medical Group Board of Directors);
 - f) the employee discloses the requested information regarding the speaking engagement in the conflict of interest disclosure process/forms established by SSM Health.
- d. Vendor advisory board:
- i. If allowed under the terms of the employee contract, SSM Health employees, including employed physicians, may participate on vendor advisory boards on a voluntary basis. Approval for participation must be sought from and granted by the employee's supervisor and/or appropriate supervisory body (e.g., SSM Health Medical Group Board of Directors).
 - ii. Payments of cash or cash equivalents for participation on vendor advisory boards are prohibited, but reasonable, fair-market-value reimbursement for travel expenses may be accepted. SSM Health employees' participation in advisory boards should be reported on the conflict of interest disclosure form and managed with the supervisor, per policy.
4. Clinical research: Any compensation or reimbursement received by an employee of SSM that is associated with a clinical trial or research should be at fair market value and should follow the terms of a fully executed clinical trial agreement between SSM and the vendor. Specific requirements for employee compensation and participation in a clinical trial should be in accordance with the clinical trial agreement and should be in compliance with the policies and procedures set forth by the applicable Institutional Review Board.
5. Ghostwriting: All SSM Health employees, including employed physicians and members of their staff, are prohibited from taking part in ghostwriting or receiving compensation for ghostwritten articles.
6. Requests for References vs. Product Endorsement:
- a. It is generally acceptable to provide references for our vendors, as long as the vendor does not determine what is said.
 - b. Generally, we do not grant vendors requests for public endorsements. This includes requests on a number of fronts, including, but not limited to news releases, blogs, articles, social media posts, vendor invitations to speak at conferences, etc., in which SSM Health would be publicly attesting to the product's benefits or quality.
 - c. Exceptions can be made in rare instances with approval of the System Vice President – Supply Chain Management, System Vice President – Corporate Communications, and/or System Vice President – Corporate Responsibility, depending on the request.

B. Vendor Support for Education and Scholarships

1. Continuing Medical Education (CME):
 - a. Vendor support for CME is permitted if CME standards/requirements are satisfied, and the following conditions are met:
 - i. the support is for legitimate educational purposes;
 - ii. monies provided by the vendor in support of such programs are given directly to the education office, foundation, or their equivalent in each SSM Health ministry;
 - iii. the organizers of the educational program continue to have responsibility for and control over the selection of content, faculty, educational methods, materials, and venue; and
 - iv. the name of the vendor and the amount of money contributed is disclosed to participants appropriately (i.e., in a brochure/program materials/signage, etc.).
 - b. Financial support should not be accepted to reimburse non-faculty attendees for the individual costs of travel, lodging, or other personal expenses.
2. Non-CME community-based patient education:
 - a. Vendor support for non-CME community-based patient education is permitted provided that the following conditions are met:
 - i. the support is for legitimate educational purposes;
 - ii. monies provided by the vendor in support of such programs are given directly to the education office, foundation, or their equivalent in each SSM Health ministry;
 - iii. the organizers of the educational program continue to have responsibility for and control over the selection of content, faculty, educational methods, materials, and venue; and
 - iv. the name of the vendor and the amount of money contributed is disclosed appropriately.
3. Vendor support for scholarships, fellowships, or other support of students, residents, or trainees is permitted provided that such support is given directly to and distributed by the foundation or its equivalent in each SSM Health ministry.
4. Invitations to Reverse Product Expos: Some professional conferences offer attendee participation in a “reverse expo,” an industry exposition or conference where the “buyers” staff event booths and the “vendors” circulate and meet with buyers. A separate company from the vendors pays for travel and board for the conference and attendees agree to participate in the expo. In exchange for paid conference fee and travel expenses, the attendee must commit to listening to participating vendor representatives talk about their product/services. This arrangement is the reverse of an attendee’s visit to an exhibit hall where businesses discuss their product/services with attendees who then rotate from one exhibitor to another. If the employee’s supervisor approves, then this would be acceptable if all the conditions in II.A.2 are met, and no entertainment or personal/recreational items are accepted.

C. Trial Products

1. Collection and Distribution of Drug Samples:
 - a. Drug samples can serve a useful purpose, though they are often used as an enticement and marketing tool by pharmaceutical representatives. To ensure the most appropriate and effective use, SSM Health employed physicians are permitted to collect and distribute drug samples provided that the following conditions are met:

- i. samples are distributed in limited quantities and only in cases where true patient need exists (i.e., limited financial means, lack of access, therapeutic trials);
 - ii. pharmaceutical representatives track and provide a detailed list of the names and quantities of the samples provided to the employed physician and/or office/clinic;
 - iii. samples are properly inventoried and distribution to patients is monitored for safety purposes (e.g., compliance, medication reconciliation, product recall); and
 - iv. the value of drug/product samples is tracked.
 - b. Samples may not be used by SSM Health employed physicians or members of their staff, unless the physician or staff member is actually a patient in that office/clinic and otherwise meets criteria above.
 - c. Whenever possible, the medical benefits of generic alternatives should be considered for long term prescriptions. These restrictions do not apply to the collection and distribution of drug samples intended solely for medical mission trips.
- 2. Medical Supplies (not patient drug samples): When offered a free trial of medical supplies, the following guidance must be considered:
 - a. only accept the minimum amount of a supply needed to evaluate whether the product is superior or inferior to similar product. An excessive amount of free product could be viewed as kickback and could also distort the real cost of our supplies;
 - b. a department manager must consult the supply chain manager before accepting an offer of free products for trial purposes;
 - c. each of the vendor finalists is given the same opportunity to have their products evaluated by a free trial;
 - d. separately chargeable items provided free by the vendor must not be charged to the patient/payer.
- D. Disclosure of Conflicts of Interest: SSM Health employees, all medical staff physicians, regardless of employment status, and members of a committee making decisions on a vendor or vendor related product shall comply with the Conflict of Interest Policy.
- E. Solicitation of Gifts or Donations from Vendors: SSM Health employees shall not solicit gifts or gratuities from vendors except as part of the process described below:
 - 1. SSM Health employees may solicit vendors to give charitable gifts or donations to SSM Health ministries as long as it is incidental to a broad community-at-large (corporate and/or individuals) solicitation, there is broad participation by non- vendors and it is part of an organized fund-raising campaign. Such solicitation within SSM Health should be conducted by a foundation, or by a specific department, or designated person(s) or committee within the SSM Health Ministries with the designated responsibility for directing community-wide fundraising activities. This does not, however, prevent SSM Health employees from participating in broad-based fundraising activities for SSM Health-sponsored charities (e.g., United Way) provided that SSM Health employees with direct procurement authority shall not solicit from vendors doing business with their ministry.

Note: Employee functions such as “physical therapy appreciation week” are not appropriate for a fund-raising campaign.
 - 2. SSM Health employees, whether acting individually or on behalf of a foundation, department, or committee within an SSM Health ministry, are prohibited from accepting or soliciting gifts or donations from vendor candidates during a vendor selection process. This

restriction applies through the whole vendor-selection process and remains in effect until the process has been completed and a decision on a vendor has been made.

3. Solicitation lists and communications about the fundraising campaign should be maintained as documentation of the community-wide appeal.
4. All offers to contribute funds and gifts “in-kind” to an SSM Health ministry must be directed to the foundation or to the specific department, committee(s) or individual(s) responsible for the ministry’s community-wide fundraising activities. SSM Health employees with responsibility for conducting ongoing business relationships with vendors, the awarding of business to vendors, or who are involved in contract negotiations with vendors, are prohibited from soliciting funds from those vendors at any time. This includes SSM Health employees with decision-making authority in the business offices, purchasing, materials/supply chain management, and any clinical area that interacts with vendors. These employees can provide a list of vendors who may wish to donate to the foundation, or to the appropriate department or individual responsible for the community-wide fundraising activity but shall not personally solicit any contribution from vendors with whom they authorize business transactions.
5. Solicitations by SSM Health employees must not be linked to the referral of patients or business, and the acceptance and receipt of any gifts must not influence or appear to influence the SSM Health ministry’s judgment or conduct. Under no circumstances should the dollar amount or volume of business conducted with an SSM Health ministry be used as a requirement for vendors to donate. A vendor’s decision whether or not to contribute to an SSM Health fund-raising activity is not to be used as a criterion for the awarding of future business with the vendor.
6. Information concerning vendors doing business with SSM Health ministries can be used by the foundation or the fund-development department, committee(s) or individual(s) to initiate contact with vendors for purposes of requesting donations in accordance with the parameters set forth in this guideline.
7. The SSM Health ministry’s foundation or the specific department, committee(s) or individual(s) responsible for the community-wide fundraising activity shall maintain a detailed list of all contributions of goods and/or cash received that includes date received, name of contributor, contribution amount/fair market value, and the determination as to whether or not the contributor is an SSM Health vendor. This determination should be made through a review of the SAP vendor file. The list should be made available to the SSM Health ministry staff upon request.
8. SSM Health ministries and their associated foundations are considered related parties. As such, contributions received by the foundation must be an offset to the allowable costs on the associated ministry’s Medicare cost report, as appropriate.
9. Goods donated by vendors to the foundation should be usable by the foundation or the SSM Health ministry. Goods donated to the foundation that are usable by the SSM Health ministry should be purchased by that ministry from the foundation. Nothing herein prevents the foundation from providing support to its associated SSM Health ministry consistent with its charitable mission and purpose. In order to ensure appropriate accounting of donated goods, the following procedure should be followed:
 - a. all donations are to be recorded in the general ledger in accordance with generally accepted accounting principles for recording donations and with SSM Finance policies and procedures.

10. All “open” Medicare cost reporting periods, either unaudited or within the three-year reopening period, should be reviewed for applicability of this guideline. If a cost offset is determined and the impact on reimbursement is greater than \$1000, the ministry should proceed with a request for adjustment to the cost report. If the impact on reimbursement is determined to be less than or equal to \$1000, documentation of such should be maintained with the cost report work papers, but a request for adjustment is not necessary due to immateriality.

F. Guidance, Reporting and Enforcement

1. Non-employed physicians with privileges to practice within an SSM Health ministry must disclose requested information regarding relationships, consulting, participation in clinical trials, speaking or other professional services, and investments in a Conflict of Interest Disclosure form as required by SSM Health’s Conflict of Interest policy.
2. For further guidance and clarification on other types of interactions not covered within this policy, employees should consult their supervisor, CRP leader, or the System Vice President - Corporate Responsibility.
3. Suspected violations of this policy shall be referred to the individual’s immediate supervisor, who shall determine what actions, if any, shall be taken. The ministry’s CRP leader shall also be notified of suspected violations, which may result in disciplinary action consistent with established procedures of SSM Health.
4. Vendor representatives who violate this policy may be subject to actions outlined in applicable SSM Health policies or otherwise imposed at the discretion of the ministry’s president or designee. Such penalties include but shall not be limited to the following:
 - a. Verbal warning to representative and district manager or representative’s supervisor;
 - b. Written warning to vendor representative and district manager or representative’s supervisor, and/or
 - c. Temporary or permanent revocation of privileges at SSM Health ministry.

REFERENCES

SSM Conflict of Interest Policy
SSM Reimbursable Business Expense Policy