

**Adm. Policy No:** 1.32  
**Effective Date:** October 2003

**SUBJECT:** Gifts from Vendors

**SPONSOR:** Corporate Compliance

**POLICY:** It is the policy of Valley Medical Facilities (VMF) (d.b.a. Heritage Valley Sewickley and Heritage Valley Beaver) to comply with all Federal and State guidelines that govern receiving of goods and/or services by vendors, suppliers, or contracted service companies. The anti-kickback statute states it is a criminal offense to knowingly and willfully offer, pay, solicit, or receive any remuneration to induce, or in return for, the referral of items or services for which payment may be made in whole or in part by a Federal healthcare program. Therefore, all employees are prohibited from accepting any type of remuneration from any vendor, supplier, or customer seeking to do business with VMF, if the purpose of the remuneration is to influence the operations of VMF.

**PURPOSE:** See Above

**SCOPE:** All employees, providers, and vendors

**DEFINITION:** Not Applicable

**GUIDELINES:** Not Applicable

**PROCEDURE:**

1. Vendor/business associate-sponsored promotional training, including travel and lodging, is addressed in Administrative Policy # Adm.1.30, "Industry-Sponsored Education/Training".
2. As a general rule, employees must not accept anything of value from vendors. However, gifts (tangible items) of nominal value may be accepted with Department Director/Vice President (VP) approval. Nominal value is defined as any item(s) less than \$10.00 in value at any one time; with an annual total limit of \$50.00 per person per vendor/business associate per year. The value of the item must be based upon the retail value of the item(s).

3. Per Human Resources Policy # HR-133, "Gratuities", employees are not permitted to accept tips, gifts, or other gratuities of significant value. Any individual wishing to donate money or gifts of significant value should be referred to the offices of the Heritage Valley Sewickley Foundation or Heritage Valley Beaver Foundation.
4. Per Administrative Policy # Adm.1.19, "Conflict of Interest", no employee will accept a gift, gratuity, or favor from any person, firm, corporation, or vendor doing business or seeking to do business with VMF if purpose of the gift, gratuity, or favor is to influence the employee in the conduct of transactions with the donor.
5. Vendors may supply modest refreshments, such as sandwiches or snacks, to hospital departments, only if accompanied by a legitimate educational program and approved by the Department Director or VP.
6. At no time will personnel solicit any gift/token/remuneration in any form for their personal use. Per the guidelines established in Administrative Policy # Adm.1.31, "Vendor Philanthropy" and in conjunction with VMF fundraising activities, employees may solicit donations for the benefit of a VMF organization.
7. In an effort to balance business interests with vendor sponsored opportunities, management staff may be required to attend functions designed to promote relationship development and enhance business relationships among the healthcare community. These exceptions to the policy must be approved by the CEO (Chief Executive Officer).
8. Any questions that cannot be resolved related to value or acceptance of an item should be directed to the System Director, Corporate Compliance who will consult with the CEO for resolution.

REFERENCES:

Section 1128(b), Social Security Act, 42 USC 1320a-7b(b) Anti-kickback Statute.  
42 CFR Parts 402 and 403 Medicare, Medicaid, Children's Health Insurance Programs; Transparency Reports and Reporting of Physician Ownership or Investment Interests; (Open Payment) Final Rule, February 2013

Compliance Program Guidance for Pharmaceutical Manufacturers, Office of Inspector General, Department of Health and Human Services, April 2003.

Ethical Guidelines for Gifts to Physicians From Industry” American Medical Association, May 2003.

Offering Gifts and Other Inducements to Beneficiaries, Special Advisory Bulletin, Office of Inspector General, Department of Health and Human Services, August 2002.

Heritage Valley Health System Regulatory Compliance Code of Conduct

Approved: October 2003  
Reviewed: October 2005; September 2006; September 2007; September 2009; August, 2010; August 2011; August 2012; August 2013; August 2014  
Revised: August 2015

**SIGNATURES:**



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Bryan J. Randall  
Chief Financial Officer



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Norman F. Mitry  
President and CEO