

BASSETT MEDICAL CENTER VENDOR CODE OF CONDUCT

PAGE 1

Bassett Medical Center (Bassett) requires that all its external business relationships demonstrate high ethical standards and comply with applicable government regulations and Bassett policies and procedures. To serve this purpose Bassett has designed and implemented a Vendor Code of Conduct. As a condition of your initial and continued association with Bassett, you are required to comply with the following Vendor Code standards and advise Bassett of any potential code of conduct violation of which you become aware.

Money, Gifts, Gratuities, Favors, Travel and Entertainment

A vendor must not offer, give, solicit, or accept money, gifts, gratuities, favors, travel, or entertainment that intend to accomplish either of the following:

- Influence the other involved party in making decisions regarding the use of the vendor's products or services, or the referral or recommendation of patients.
- Induce the other involved party to forego normal business or professional considerations in making decisions that affect Bassett.

Bassett's policy on Vendor Relations states that no staff member may accept gifts, gratuities, favors, travel, entertainment or other remuneration from a vendor, with a few limited exceptions, as listed below.

- Items provided as part of a Bassett contract, or a Bassett research project
- Free admission and refreshments at an event where the Bassett staff person is giving a speech participating in a panel, or providing another similar service
- Free admission and modest refreshments provided during a training session provided by a vendor on the use of the vendor's product (travel and lodging to training would be considered a gift and is not acceptable, unless specifically cited in the vendor purchase contract)
- Materials provided by the organizers of a professional meeting when the meeting is conducted under national continuing education accreditation body guidelines (e.g., a tote bag with a vendor name on it from a conference)

Charitable Contributions

A vendor may make charitable contributions to Bassett by contacting the Executive Director of the Friends of Bassett (Bassett's charitable foundation). Any contribution will be accepted in the same manner and under the same conditions as non-vendor contributors.

Although Bassett appreciates the vendor's charitable contribution, the contribution will not affect the professional judgment of Bassett regarding the goods or services it purchases or recommends for purchase.

Compliance with Law and Record Keeping

A vendor will use only honest, straightforward, fully informative and non-deceptive marketing techniques in its dealing with Bassett.

A vendor will not enter into any contract or arrangement with Bassett unless Bassett's Purchasing Department, Compliance Department, or Counsel has reviewed such contract or arrangement.

BASSETT MEDICAL CENTER POLICY VENDOR CODE OF CONDUCT

Page 2

A vendor will ensure that all billing statements and invoices are at the correct prices and accurately reflect the services and supplies provided.

A vendor will not intentionally, knowingly or recklessly prepare or submit false, fraudulent or misleading claims or make false statements to a government entity or third party payor in connection with the vendor's provision of services or supplies to Bassett. Bassett will promptly investigate any reports of alleged violations of law, regulations or Bassett policies involving a vendor, including allegations of fraud, waste and abuse (FWA) involving federal or state health care programs. Vendors are expected to fully cooperate in such investigations and in taking corrective actions in response to confirmed violations. The Federal False Claims Act and similar state laws make it a crime to present a false claim to the government for payment, and also protect individuals who report noncompliance or fraud, or who assist in investigations, from retaliation. Bassett policy prohibits retaliation against individuals exercising their rights under the Federal False Claims Act or similar state laws.

A vendor will maintain adequate and accurate documentation and records supporting the prices charged and the services and supplies provided to Bassett.

A vendor will protect the confidentiality of sensitive patient information and avoid disclosure of that information unless supported by legitimate business purposes and permitted by law.

A vendor must comply with all laws and legal requirements applicable to vendor's provision of services or supplies to Bassett.

Exclusion Checks

Any vendor wishing to enter into a contract with Bassett is required to certify that neither it nor any of its employees is an Ineligible Person (an individual or entity that is listed on the U.S. Department of Health and Human Services, Office of Inspector General List of Excluded Individuals/Entities or the New York State Office of the Medicaid Inspector General List of Medicaid Terminations and Exclusions). Such vendor certification shall be made on at least an annual basis.

In addition, each vendor shall be required to maintain supporting documentation for its monthly exclusion checks and to produce copies of such documentation to Bassett upon request.

BASSETT MEDICAL CENTER POLICY VENDOR CODE OF CONDUCT

RELEVANT GUIDANCE FROM FEDERAL GOVERNMENT

1. The Federal Department of Health Services, Office of the Inspector General has published compliance guidance, including the following (Federal Register, Vol. 68, No. 86 pp 23731- 23743):

The anti-kickback statute prohibits in the health care industry some practices that are common in other business sectors. In short, practices that may be common or longstanding in other businesses are not necessarily acceptable or lawful when soliciting federal health care program business.

The anti-kickback statute is a criminal prohibition against payments (in any form, whether the payments are direct or indirect) made purposefully to induce or reward the referral or generation of federal health care business. The anti-kickback statute addresses not only the offer or payment of anything of value for patient referrals, but also the offer or payment of anything of value in return for purchasing, leasing, ordering, or arranging for or recommending the purchase, lease, or ordering of any item or service reimbursable in whole or part by a federal health care program. The statute extends equally to the solicitation or acceptance of remuneration for referrals.

* * *

While educational funding can provide valuable information to the medical and health care industry, manufacturer grants to purchasers, GPOs¹, PBMs² and similar entities raise concerns under the anti-kickback statute. Funding that is conditioned, in whole or in part, on the purchase of product implicates the statute, even if the educational or research purpose is legitimate. Furthermore, to the extent the manufacturer has any influence over the substance of an educational program or the presenter, there is a risk that the educational program may be used for inappropriate marketing purposes.

To reduce the risks that a grant program is used improperly to induce or reward product purchases or to market product inappropriately, manufacturers should separate their grant making functions from their sales and marketing functions. Effective separation of these functions will help ensure that grant funding is not inappropriately influenced by sales or marketing motivations and that the educational purposes of the grant are legitimate. Manufacturers should establish objective criteria for making grants that do not take into account the volume or value of purchases made by, or anticipated from, the grant recipient and that serve to ensure that the funded activities are bona fide. The manufacturer should have no control over the speaker or content of the educational presentation. Compliance with such procedures should be documented and regularly monitored.

* * *

Manufacturers, providers, and suppliers of health care products and services frequently cultivate relationships with physicians in a position to generate business for them through a variety of practices, including gifts, entertainment, and personal services compensation arrangements. These activities have a high potential for fraud, waste, and abuse and, historically, have generated a substantial number of anti-kickback convictions.

* * *

¹Group purchasing organizations

²Pharmacy benefit managers

Absent unusual circumstances, grants or support for educational activities sponsored and organized by medical professional organizations raise little risk of fraud, waste, and abuse, provided that the grant or support is not restricted or conditioned with respect to content or faculty.

BASSETT MEDICAL CENTER POLICY VENDOR CODE OF CONDUCT

DEFINITIONS

Workforce: Employees (including but not limited to: biweekly staff, monthly payroll staff), independent contractors, residents, interns, per diems, Senior Medical Staff, Advanced Practice Clinicians, Allied Health Professionals, fellows, volunteers, students, contracted staff, and other persons whose conduct, in the performance of work for the facility, is under the direct control of such facility, whether or not they are paid by the facility.

Gift: Cash in any form, cash equivalents such as gift certificates, property or the use of something of value. Gifts can include goods, hospitality, services, travel and travel expenses, use of something of value, tickets or admission to events or functions, and any other item of value.

Vendor: Any entity that has or is seeking to enter into a business relationship with Bassett to provide any equipment, product, supply, facility, item, or service for payment, including but not limited to medical or office supplies, furniture, medical devices, consulting, or maintenance services. Pharmaceutical Sales Representatives are not included as vendors for the purpose of this policy. Information on interactions with Pharmaceutical Sales Representatives can be found in Policy 30-C and 31-C [Pharmaceutical Sales Representatives at BMC \(30-C\)](#) and [Pharmaceutical Sales Representatives at Health Centers \(31-C\)](#) .